



# **Washington State Office of Administrative Hearings**

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## **Efficiency Review**

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Findings and Recommendations  
May 12, 2010

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Framework LLC  
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# Washington State Office of Administrative Hearings

## Efficiency Review

### Table of Contents

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<b>I. INTRODUCTION .....</b>	<b>1</b>
I.A OVERVIEW .....	1
I.B OBJECTIVES OF THE EFFICIENCY REVIEW .....	1
I.C METHODOLOGY .....	1
I.D ACKNOWLEDGEMENTS .....	2
I.E ORGANIZATION OF THIS REPORT .....	3
<b>II. GENERAL FINDINGS .....</b>	<b>4</b>
II.A OAH STRENGTHS .....	4
II.B CHALLENGES TO EFFICIENT AND EFFECTIVE CASE MANAGEMENT .....	6
II.C CHALLENGES TO PERFORMANCE, SERVICE AND DECISION QUALITY .....	9
II.D CHALLENGES TO PROVIDING ACCESS TO JUSTICE FOR APPELLANTS .....	12
II.E IMPACT OF INFORMATION TECHNOLOGY ON EFFICIENCY, QUALITY, AND SERVICE .....	13
<b>III. WORKLOAD &amp; STAFFING FINDINGS .....</b>	<b>15</b>
III.A WORKLOAD OVERVIEW .....	15
III.B OAH'S ABILITY TO MANAGE WORKLOADS .....	17
III.C BARRIERS TO EFFECTIVE PLANNING AND MANAGEMENT OF STAFFING LEVELS .....	24
III.D BARRIERS TO "NIMBLE AND FLEXIBLE STAFFING" .....	29
<b>IV. LEASED FACILITIES ANALYSIS FINDINGS .....</b>	<b>31</b>
IV.A OVERVIEW OF OAH LEASED FACILITIES .....	31
IV.B FINDINGS .....	32
<b>V. TECHNOLOGY ASSESSMENT FINDINGS .....</b>	<b>34</b>
V.A CURRENT TECHNOLOGY OVERVIEW AND FINDINGS .....	34
V.B CASE TRACKING SYSTEM REPLACEMENT OPTIONS .....	36
V.C TECHNOLOGY OPPORTUNITIES .....	37
<b>VI. RECOMMENDATIONS .....</b>	<b>39</b>
POLICY, PRACTICE AND PROCESS RECOMMENDATIONS .....	39
WORKLOAD & STAFFING RECOMMENDATIONS .....	60
LEASED FACILITY RECOMMENDATION .....	77
TECHNOLOGY ASSESSMENT RECOMMENDATIONS .....	79
<b>VII. IMPLEMENTATION PLAN .....</b>	<b>85</b>

# **I. Introduction**

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## **I.A Overview**

The mission of the Washington State Office of Administrative Hearings (OAH) is to conduct timely, quality, independent administrative adjudications for appellants from various public agencies. OAH provides these services to a wide variety of state agencies and local governments. Most of the agency's work is related to appeals from clients of the Employment Security Department (ESD), Department of Social and Health Services (DSHS), Department of Labor and Industries (L&I), Superintendent of Public Instruction (SPI), and the Department of Early Learning (DEL).

OAH has been active in its attempts to improve process efficiency, effectiveness, and the overall quality of service to its agency customers. In keeping with that theme, OAH contracted with Framework LLC to plan, conduct and document an efficiency review of the agency. Results from this review will be used to update the agency's strategic plan and to guide future budget requests for information technology to support effective case management.

## **I.B Objectives of the Efficiency Review**

The objectives of this review were to:

- Review and document work processes, practices and procedures and make recommendations on methods to improve efficiency and service delivery.
- Assess OAH's current case management capabilities. Describe how case management tools, practices and processes at OAH function.
- Identify improvements in process, procedure, methods and systems of case management.
- Identify ways to use technology to improve process efficiency.
- Identify ways for OAH to calculate required staffing levels, in order to be more "nimble" in staffing to fluctuations in caseloads and funding.
- Make recommendations about the location and use of OAH's leased facilities.

## **I.C Methodology**

To complete this review, we performed the following tasks:

- Interviewed headquarters staff, including OAH's Chief and Deputy Chief Administrative Law Judge, Financial Manager, and Technology Manager.
- Visited each of OAH's five offices (Seattle, Spokane, Olympia, Yakima and Vancouver) to interview Assistant Deputy Chiefs (ADCs), Administrative Law Judges (ALJs) and support staff. During site visits we observed work processes, physical space, and collected document samples.
- Developed, analyzed, and compared process flow diagrams of the primary work processes in each office.
- Interviewed customer representatives and stakeholders from the following agencies:
  - Department of Social and Health Services (DSHS)
  - Employment Security Department (ESD)
  - DSHS Division of Child Support (DCS)

- Washington State Attorney General's Office
- Columbia Legal Services
- The Unemployment Law Project
- TALX UC (an employer representative for Unemployment Insurance appeals)
- Seattle University School of Law (legal aid project)
- Reviewed published comparisons of OAH with other centralized administrative hearings agencies.
- Reviewed agency performance against performance objectives.
- Analyzed workload, staffing, budget and facilities information.
- Examined the use of information technology to support business processes and practices. Reviewed case tracking application functionality, as described in limited system documentation and observed first hand. We also reviewed the "Case Management System Replacement Project Feasibility Study", prepared by Coplan & Company in 2008.

While a traditional "efficiency" review might focus on the cost of each decision or order that OAH delivers we believe that this measurement only tells part of the story. We have attempted to evaluate OAH processes, practices, and systems in ways that balance efficiency, effectiveness, and service quality.

## **I.D Acknowledgements**

The consulting team would like to thank the following individuals for their participation in and support of our work on this project:

- Lorraine Lee, Chief Administrative Law Judge
- Stephanie Groom Williams, Deputy Chief Administrative Law Judge
- Don Chase, Information Technology Manager
- Les Myhre, Financial Manager
- Jane Habegger, Senior Administrative Law Judge and Public Information Officer
- Robert Krabill, Assistant Deputy Chief, Olympia Office
- Anita Crawford-Willis, Co-Assistant Deputy Chief, Seattle Office
- Mary Radcliffe, Co-Assistant Deputy Chief, Seattle Office
- David Hansen, Assistant Deputy Chief, Spokane Office
- Johnette Sullivan Assistant Deputy Chief, Yakima Office
- Gina Hale, Assistant Deputy Chief, Vancouver Office
- Administrative Law Judges (ALJs) and support staff in each of the five field offices who participated in our interviews and reviewed draft work.

## **I.E Organization of this Report**

The remainder of this report is organized into the following sections:

**Section II – General Findings.** (This section includes findings related to efficiency, quality, customer service, and appellant access to justice. It also addresses the current impact of OAH's automated systems on the agency.)

**Section III – Workload & Staffing Analysis**

**Section IV – Leased Facilities Analysis**

**Section V – Technology Assessment**

**Section VI – Recommendations**

**Section VII – Implementation Plan**

An Executive Summary and Appendices are included in separate documents.

## II. General Findings

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### II.A OAH Strengths

#### ***II.A.1 OAH's cost per hearing is low compared to peers in other states.***

- According to a survey of 24 states with centralized administrative hearing panels, OAH's 2009 cost per hearing (total agency budget divided by number of hearings) was \$281. The median average cost was \$747 per hearing.<sup>1</sup>
- OAH had the fifth lowest cost per hearing of surveyed states.

#### ***II.A.2 OAH employees are hard-working and mission driven.***

#### ***II.A.3 Offices and employees have been empowered to make improvements in their processes and practices. Many notable practices have emerged as a result, including:***

- Use of generalist ALJs that carry “dual caseloads” including ESD and DSHS cases. (Yakima)
- Use of dedicated contact person that is assigned to take pre-hearing requests for subpoenas, continuances, postponements, or withdrawals. This may be the ADC (Assistant Deputy Chief), a presiding or “duty judge”, Senior Administrative Law Judge (ALJ) or a support staff. In Olympia, an administrative assistant manages Unemployment Insurance postponements, helping to reduce the number and to reschedule postponed cases as quickly as possible. (Yakima, Olympia)
- Creation of automated calendar tools using Excel or Word Perfect that are available to all staff in a shared directory. (Yakima, Vancouver)
- Ability to work with parties' schedules to set ESD hearings for cases with attorneys, interpreters. (All)
- Efficient use of e-mail for communication of key information. Email is used instead of paper phone messages and for coordinating hearing calls. Typically the receptionist can create and send the email while the call is being completed. (Vancouver, Spokane)
- Use of performance management information to monitor timeliness performance and allow for scheduling flexibility. (Spokane)
  - Spokane ALJs are provided weekly production goals and case timeliness targets. Each ALJ is free to customize his or her hearing schedule to fit work style preferences. For example, some ALJs like to come into the office to take hearings in the morning and go home in the afternoon to write their decisions. Other ALJs prefer to allow enough time between hearings to get the decision written immediately while the case is fresh in their minds.
  - This approach accommodates each ALJ's personal work style, allows them to work more efficiently and improves their quality of work life.

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<sup>1</sup> "2009 Comparison of States with Centralized Administrative Hearings Panels", prepared by the Louisiana Division of Administrative Law.

- The Spokane ADC manages work performance by reviewing weekly hearing production and timeliness of closed files. If weekly statistics indicate that an ALJ is not meeting performance expectations, the ADC discusses the issue with the ALJ to determine if there are training issues or if work flow needs to be modified in order to improve work performance.
- Building staff awareness of timeliness goals. Appeal timeliness statistics are posted everywhere in the Spokane office and all staff are aware of timeliness goals. This common focus helps to create a sense of teamwork and promotes creativity to help the office achieve goals. Increased awareness of timeliness has also allowed Spokane to:
  - Schedule DSHS Public Assistance appeals more quickly to allow time for potential continuances and still make due dates.
  - Assign cases over 120 days old to a specific ALJ for resolution.
- Creation and use of desk manuals. The Olympia office uses desk manuals, organized by task frequency, to preserve institutional knowledge and to document work processes. These have been shared with Seattle as part of an employee training effort. (Olympia)
- Set up the printer to print an exhibit footer so that each page of exhibits does not need to be hand stamped. (Spokane)
- Use of voice recognition software (Dragon) to reduce the need for support staff to take dictation. (Spokane)
- Use of a generic email address accessible to multiple support staff to expedite hearing requests and dispositions. (Spokane)
- Electronic transmission of orders to other state agencies eliminates the expense and time wasted by creating and sending hard copy notices by US mail. (Pilot test in Spokane)
- Color coding files by program and by type. Color coding allows staff to easily identify files. (Vancouver, Seattle, Spokane)
- Use of bold labels to clearly identify due dates on the exterior of case files. (Spokane)

***II.A.4 Support staff in smaller offices are located together, promoting teamwork and communication.***

- Support staff in the Spokane office are located in one room with a central work area that contains the unassigned case files.
- In Vancouver and Yakima, support staff are centrally located, accessible to each other and to ALJs.
- This co-location of staff, in combination with cross-training and shared e-mail communications, allows groups to more easily share work and stay on top of variations in workload.

***II.A.5 It appears that OAH has a good working relationship with major customers.***

- Our interviews suggest that OAH offices and customer department representatives are working together to address quality and efficiency issues in the hearing process.

- Customers and stakeholders we interviewed have positive working relationships with Chief Lee and Assistant Chief Croom-Williams. They are hopeful that OAH will continue to improve services and strengthen relationships.

## **II.B Challenges to Efficient and Effective Case Management**

### ***II.B.1 Work processes and delegation of roles and responsibilities in field offices have been driven by the ways that Assistant Deputy Chiefs (ADCs), ALJs and support staff in each office prefer to operate.***

- Few, if any, standard business processes or work procedures are applied statewide. We observed differences in the following areas:
  - Points of customer contact for appeals.
  - Processes and policies for scheduling hearings, postponements and continuances.
  - Willingness to set hearings to accommodate parties' schedules.
  - Case file formats.
  - Form, content and timeliness of notices.
- With the exception of the Olympia office, most offices have not documented local policies, processes and procedures.
- Even small variations in procedure (file format or setup, for example) affect the ability of offices to share workload.

### ***II.B.2 Processes are paper-intensive and rely on hard copy case records.***

- Hard copies are inherently inefficient due the need to physically produce, move, file and find the documents.
- Only one person can have access to the case file at any given time, limiting the ability to conduct work processes in parallel. There is a "paper chase" to find the file when it is needed.
- Hearings appear to be exhibit-driven, rather than testimony-driven. (One stakeholder suggested that Washington is significantly more exhibit-driven than other jurisdictions they work with.) Each exhibit must be referenced on record, consuming valuable hearing time.
- A significant amount of support time is spent setting up records (sorting, hole punching, marking, & copying). ESD case files often include a large number of exhibits that are printed from e-mails, then sorted and numbered by hand for the case file. Electronic files are deleted, eliminating the possibility of sharing them with teleworking ALJs.
- Staff in the Seattle office identified that they have difficulty matching incoming information (mail, phone messages, faxes, e-mail messages) to the related appeal. Documents or messages are misplaced.
- Case file storage and distribution practices vary from office to office. In Seattle each individual support staff person and ALJ has their own means of filing cases that are in progress. In each of the other offices, case files are



maintained in a central area until assigned to an ALJ. At that time, files may be stored in identified bins (Yakima) or in central files.

- Teleworking ALJs may take original files or materials with sensitive information off-site, compromising security of appellant information and risking document loss. Some teleworkers have support staff scan and e-mail appeal files to them. Support staff in some offices make copies of the case file for their own use.
- OAH is not making full use of electronic document sharing opportunities.
  - ESD Unemployment Insurance appeal requests are submitted to OAH electronically through use of an encrypted e-mail message that is converted to hard copy and then imaged for final storage. Subsequent documents related to the appeal are imaged and transmitted separately using an ESD reference number but not necessarily using an OAH document number.
  - Some stakeholders say that they send electronic documents to OAH whenever possible. Usually paper documents are brought to in-person hearings.

#### ***II.B.3 Lack of physical space is an issue for OAH.***

- Spokane and Yakima offices do not have adequate private hearing space, and must conduct hearings at an open desk or in a shared office.
- ALJs in Seattle and Yakima offices share work spaces and use portable storage for files and supplies.
- Finding space for pro tem ALJs is a challenge in some offices. (Seattle, Spokane, Yakima, Vancouver)
- Support staff in the Seattle office are placed together desk to desk with no cubicle walls. It can be difficult to carry on telephone conversations and complete work that requires concentration. File space is insufficient and not standard.

#### ***II.B.4 Poorly designed work space hinders efficiency and effectiveness.***

- The Seattle office design does not locate employees to facilitate work flow.
  - Employees that work together are not necessarily located in close proximity to each other.
  - The support staff person that is responsible for distributing incoming faxes is physically located on the opposite side of the office from the fax machine.
  - Particularly when an office is so paper dependent, “sneaker net” can add significant cycle and duration time to processes where information changes hands.

#### ***II.B.5 Support staff desk configurations do not generally allow for systematic filing and storage of in-process work.***

- All offices could use improved shelving and storage bins to efficiently and neatly house various files that are sorted by program and due dates.
- There is concern for the ergonomic design of how some support staff work. Desk space and work areas should be designed to support the physical

movement of the paper that is created and used as part of workflow. (Seattle, Spokane)

- Work in process filing methods are not standard making it difficult to find files or information when support staff or ALJs are not in the office. (Seattle)
- Support staff have a variety of boxes and make-shift files surrounding their desks. (Seattle)
- Office support staff typically use a single “in-box” for all incoming work and information. It has been observed that sometimes incoming work piles up making it easy to lose small phone messages or urgent communications. (Seattle)

***II.B.6 Certain customer policies and practices impact OAH’s ability to be efficient and effective:***

- Division of Child Support Hearings Officers frequently use the first 15-20 minutes of OAH hearing time to meet with clients and attempt to settle cases. This practice results in last-minute settlements (cancelled hearings) or re-scheduled hearings. Opinions about this practice are mixed:
  - The Spokane office and local DCS representatives have been experimenting with ways to improve the overall outcome of the child support appeals by allowing DCS to negotiate with the parties prior to the hearing to potentially reach a voluntary child support payment agreement. Delays to hearings are considered to be a necessary accommodation.
  - The Olympia office is also comfortable with DCS using OAH hearing time for settlement negotiations, if only because the process is “predictable”.
  - Other offices commented about the late start and its impact on dockets.
  - While this practice does enhance the potential for parties to reach a mutually agreeable determination, it compromises the daily calendar and requires offices to re-schedule any appeal that does not settle.
- In some offices, OAH has effectively delegated control over DSHS hearing schedules to Division of Child Support Claims Officers. This may compromise the agency’s role as an independent arbiter.
- DCS’s policy is that Hearings Officers may hold a client’s Request for Hearing for up to 20 days before submitting it to OAH. This arrangement was negotiated with OAH, but may compromise the client’s right to a timely hearing.
- DSHS is implementing two significant changes that should positively impact OAH:
  - Regionalization of Hearings Coordinators. Hearing Coordinators will be full-time specialized positions, organized and supervised by one of six regions instead of by individual Community Services Offices. Coordinators will be able to cover for one another.
  - Standardization of process flows in each office. (This project has been set aside until regionalization is done.)
- ESD Requests for Hearing and supporting materials are e-mailed to OAH in two separate e-mail messages. It is very time consuming for OAH employees to download the files, transfer them to a drive for printing, print files, delete the

files, match the information from the two emails, and sort and prepare the paper file. OAH employees say that this is far more time consuming than receiving paper documents in the mail. (This process was originally changed to eliminate delays created by using U.S. mail.)

## **II.C Challenges to Performance, Service and Decision Quality**

### ***II.C.1 Variations in policy, processes and procedures directly impact customers/stakeholders and make their interactions with OAH more difficult.***

- As described earlier, work processes and policies in field offices have been driven by the ways that ADCs, ALJs and support staff in each office prefer to operate.
- These variations directly impact customers and stakeholders. Customers and stakeholders we interviewed gave the following examples of differences between offices that make it more difficult for them to work with OAH:
  - Each office has different points of contact for information about appeals and their status. In Seattle, for example, the assistant might have this information. In other offices, the customer would need to speak to the assigned ALJ.
  - Policies and processes and policies for ordering postponements and continuances vary by office. In Spokane, continuances are very rarely granted. In Seattle the first continuance for DSHS cases can be granted by the Office Assistant or Legal Secretary. Yakima's ADC reviews and evaluates requests for continuances on a case by case basis. Olympia uses a support to manage ESD UI postponements.
  - Processes for scheduling hearings, and willingness to set hearing dates and times to accommodate appellant representation or witnesses vary by office.
  - Form, content and timeliness of notices vary by office.

### ***II.C.2 OAH is managing to timeliness standards and not necessarily to standards of quality or justice.***

- Timeliness measures dominate OAH performance reporting. This is due in large part to requirements set forth by OAH's major customers:
  - ESD requires that OAH adheres to the U.S. Department of Labor's timeliness standards for Unemployment Insurance appeals.
  - The DSHS Interlocal Agreement with OAH specifies standards for hearing scheduling and order issuance that must be met.
- The agency's primary assessment of decision "quality" is based on periodic reviews of a limited sample of cases and decisions. Each office's ADC has different goals for the number of cases that should be reviewed. It is not clear if OAH uses other measures of decision quality.
- We found limited evidence that OAH reviews decisions for quality before they are mailed. Some support staff made it a practice to examine decisions or orders to confirm basic appellant and party information but this practice was not uniform.

- ESD's Non-Monetary Unit identifies basic errors (typographic errors, inconsistencies in the narrative, for example) at the time OAH decisions are entered into ESD's GUIDE application. ESD and OAH work together informally to correct these errors and to work out possible quality problems.
- The DSHS Interlocal Agreement requires that OAH "will conduct Case Quality Review Evaluations of the ALJs on a quarterly basis" using criteria identified by OAH. We believe the sample case file reviews are used for this purpose.
- Some stakeholders we interviewed believe that OAH is overly driven by timeliness when in some cases it might better serve the parties and/or justice to delay proceedings. However, stakeholders also mentioned that they believe that OAH can be too slow in issuing an order when benefits are being denied.
- Some ESD representatives are concerned about OAH's practice of using the first or early decisions applying a particular point of law as boilerplate for subsequent decisions. This practice makes the quality of the decision a function of the knowledge or expertise of the first person to apply the law.

***II.C.3 Some customers/stakeholders commented that OAH seems to manage the hearing process with little regard for the convenience and desires of the participants.***

- Several customers/stakeholders commented about OAH's policy and practices to set hearings:
  - One stakeholder commented that the scheduled hearing date tends to be much later than the dates they suggest. This stakeholder was concerned that other parties to an appeal may not be consulted at all.
  - Several stakeholders noted that practices vary from office to office. Our process review found this to be the case. Vancouver, Yakima, Olympia, and Spokane do work with parties' schedules to set some hearings, especially for the "specials" caseload and for cases where an interpreter is required, but there is no standard policy or practice.
- In some offices a pre-hearing conference is scheduled without consulting all parties for convenience. At the pre-hearing conference, subsequent hearing dates are agreed to by all parties.
- DSHS Hearings Coordinators believe that half-hour allotments for hearings are inadequate. They claimed that hearings are not completed during the scheduled time, resulting in "horrible customer service" to appellants.
- DSHS Hearings Coordinators also commented that they do not receive dismissals timely. They noted that, in many cases, they do not get a notice for up to a month or more after the default.

***II.C.4 Employees perceive that performance objectives and measurements are punitive and don't always make sense.***

- Within OAH there is a perception that there are no real rewards for doing a good job, and that offices are punished for doing a bad job. Some offices believe they are not given the opportunity to analyze and explain variations from "standards".

- The Spokane office is an exception. Spokane has used performance statistics to rally employees in every position towards common goals and to encourage creativity.
- OAH mandates that a certain number of ESD cases should be completed by ALJs each week, based on DOL standards and ESD reimbursement requirements. To some employees, these mandates appear to be independent of the resource that is available to complete the work.

***II.C.5 OAH is accountable for a part of the ESD process that it does not have control over.***

- The U.S. Department of Labor and ESD measure OAH's timeliness of Unemployment Insurance appeals processing from the time that a claimant files an appeal with an ESD Telecenter to the time that OAH mails the order.
- OAH does not have control over what happens to appeals between the time it is filed with ESD and a Request for Hearing is submitted to OAH.
- Interviews with ESD representatives suggest that the Request for Hearing should be sent within five working days of the filing date.

***II.C.6 Customer fee structures and performance requirements result in different levels of customer service and quality.***

- The Superintendent of Public Instruction (OSPI) funds three ALJs, one support person, and a panel of ALJs as needed to hear its appeals. OSPI also provides annual training for all employees involved. Based on our interviews with employees of the dedicated OSPI unit in Seattle, it appears that OSPI receives a very high level of service and is very pleased with the OAH services.
- ESD's payment for UI hearings is driven by the U.S. Department of Labor's Resource Justification Model (RJM). ESD is required to use the RJM in order to calculate allowable expenditures for Unemployment Insurance program appeals. OAH "earns" reimbursement of its labor expenses based on the number of appeals closed in a given time period. ESD pays for production, and as a result UI cases are heard and decided quickly.
- DSHS is the only customer that OAH maintains an Interlocal Agreement with. The agreement defines performance and service requirements, but not billing or cost-reimbursement.
- OAH's actual expenditures on a per order issued/appeal closed vary significantly for each major customer, as indicated in the table below:

**Expenditures per Order Issued (Appeal Closed for ESD)  
Five Largest Customers, by Volume**

<b>FY 2009</b>	<b>ESD</b>	<b>DSHS</b>	<b>SPI</b>	<b>DEL</b>	<b>L&amp;I</b>
Actual Expenditures	6,183,444	6,313,220	486,872	203,717	143,513
Orders Issued*	29,007	5,329	31	30	45
Expenditure/Order	\$213	\$1,185	\$15,706	\$6,791	\$3,189

Expenditure source: OAH Fiscal Office  
2009 issued/closed data from OAH 2010 "Tracker" Report (corrected)

## **II.D Challenges to Providing Access to Justice for Appellants**

### ***II.D.1 Decisions and Orders, Notices and other documents are not translated for Limited English Speaking (LES) appellants.***

- Stakeholders are concerned that LES appellants may not be making use of available translation services.

### ***II.D.2 Using translator services in a telephone conference hearing is difficult and reduces the effectiveness of communication between the appellant and the translator.***

- Stakeholders are concerned that a phone interview does not allow the interpreter to point out portions of documents that are being discussed to the appellant and view body language to enhance understanding. DSHS Hearing Coordinators indicated that they would prefer interpreters to be in-person when the appellant is present with them at the local Community Services Office.

### ***II.D.3 Certain OAH policies and practices may compromise the ability of appellants to obtain access to justice.***

- In the interest of timeliness, hearing postponements for ESD cases are discouraged in some offices and routinely denied in others, even if the appellant can show good cause. Stakeholders are concerned that this practice impacts appellants who are attempting to secure low-cost representation under very tight timeframes.
- Stakeholder interviews indicate that there is concern that pro se appellants do not have the ability to adequately represent themselves. Many do not understand what type of evidence they need to produce to create an effective defense or know how to obtain the information they need.

### ***II.D.4 The WebEx system of organizing telephone conference hearings was piloted without correcting the automated hearing notice from the ACTS system.***

- The incorrect notice was mailed with another flyer with the correct call-in procedure.
- Duplicate messages added to confusion for all appellants, particularly those with limited English proficiency.

## **II.E Impact of Information Technology on Efficiency, Quality, and Service**

### ***II.E.1 OAH's use of three different case tracking applications reinforces the variability of work processes and reduces overall efficiency.***

- OAH's case management activities are supported by three separate case tracking applications (these are also described in Appendix F):
  - The Automated Case Tracking System (ACTS) was developed by ESD to support ESD casework prior to the consolidation of statewide hearings functions.
  - The Hearings and Appeals Tracking and Scheduling System (HATSS) was jointly developed by OAH and the DSHS Board of Appeals and tracks all DSHS appeals.
  - The Client Agency Tracking System (CATS) was created to support all other customer appeals received by OAH – the so-called “specials” caseload.
- Business processes for each major caseload (ESD, DSHS, and “specials”) have evolved to match differences in these applications. Key functions such as appeal set-up, hearing scheduling, notice generation, and entry of resolution or disposition are executed differently in each application. ACTS uses WordPerfect macros to pre-populate decisions; HATSS has limited mail-merge capability for label generation only, and CATS does not have this functionality.
- Because of these differences, work processes that could be the same for all customers (appeal set-up and hearing scheduling for example) are executed differently.
- Most support staff work primarily with one application. Few support staff have access to and are trained in all three case tracking applications.

### ***II.E.2 OAH's case tracking applications do not have the functionality required to support efficient and effective case management.***

- ACTS, HATSS and CATS are case-tracking, not case management applications. They lack functionality that true case management applications offer and do not support the day-to-day oversight of each appeal as it moves toward resolution.
- There is no central, real-time view to all appeals that are in process at OAH at any given time. Appeals are identified in three separate applications depending on customer and program. Agency-wide summaries are prepared by extracting and consolidating data from each application and manually summarizing the results.
- Applications have calendaring/scheduling components, but the functionality is extremely limited. Support staff rely on “brain power” and locally-developed tools or manual techniques to schedule cases.
- Only one application, ACTS, supports pre-population of key documents (notices, decisions) with data and basic narrative; the others do not. As a result the process for developing documents is less efficient and likely to produce less standard documents.
- There are no automated ticklers or reminders that an action is due.

- OAH employees do not rely on these applications for case or information management. Instead, important information is captured multiple times in many places. The same piece of Information may be recorded in an automated application, written on the case folder or worksheet, recorded in Outlook, sent by e-mail, and jotted on a sticky note.
- Management reporting is limited. Offices maintain hand counts of key performance information because they do not trust certain system-generated reports. Manual tallies are used in all offices to produce performance reports for cases received and closed required by Headquarters. Any reports describing overall performance of case processing must be created manually.

***II.E.3 OAH's case tracking applications have outlived much of their usefulness to OAH.***

- Applications are based on antiquated technology platforms and use outdated versions of data base and word processing applications.
- Some employees complained about the lack of training and support provided for these applications.

***II.E.4 The process used to check-in telephone hearing parties is overly time-consuming and disruptive to other support work activities.***

- This problem should be eliminated with the planned statewide implementation of WebEx.



### III. Workload & Staffing Findings

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#### III.A Workload Overview

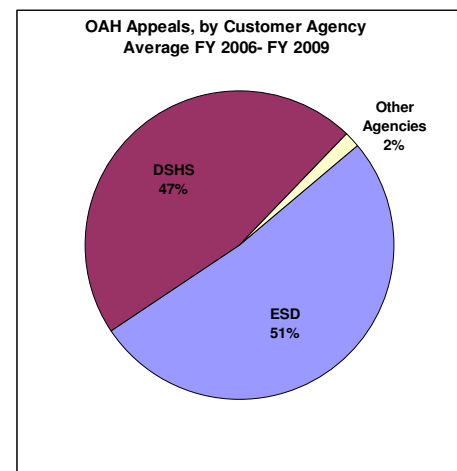
OAH's workload is driven by the number and type of appeals generated by customer agencies. We found the following:

***III.A.1 OAH hears appeals from a wide variety of state and local government agencies.***

- In FY 2008-2009 OAH received appeals from over 35 unique agencies.
- OAH's five largest customers as measured by the number of appeals submitted annually, include:
  - Department of Social and Health Services (DSHS)
  - Employment Security Department (ESD)
  - Department of Labor & Industries (L&I)
  - Office of the Superintendent of Public Instruction (OSPI)
  - Department of Early Learning (DEL)

***III.A.2 OAH's caseload is dominated by its two largest customers.***

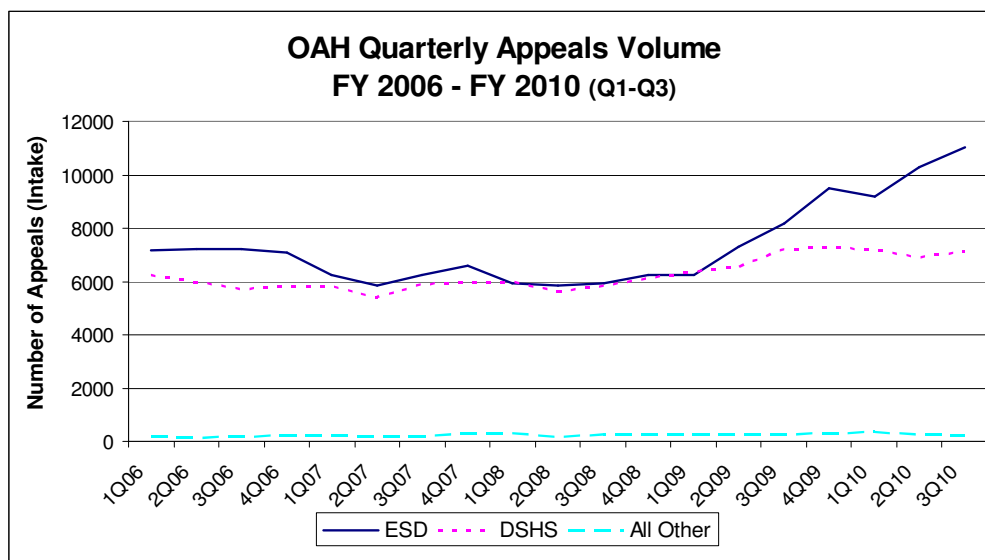
- Appeals from ESD and DSHS account for 98% of the total OAH appeals caseload.
- The majority (97%) of ESD appeals are related to claims for unemployment insurance.
- Most DSHS appeals are received in the following two categories:
  - Public Assistance, including General Assistance, Food Stamps, Temporary Assistance to Needy Families, and Child Care (52% of DSHS appeals.)
  - Child Support (45% of DSHS appeals.)
- The remaining 3% of DSHS appeals are related to licensing and juvenile rehabilitation.



***III.A.3 The volume of Employment Security appeals has increased significantly since the beginning of FY 2009, while the volume of other customer appeals has increased gradually or remained stable.***

- The total number of appeals that OAH received from ESD in the third quarter of FY 2010 was 77% greater than the appeals received during the first quarter of FY 2009.
- According to ESD representatives, UI workload is seasonal. Claims volumes begin to rise in October, peak in December and January, and decrease by April. The current economic downturn has significantly increased the number of claims, but the basic seasonality pattern has not changed.

- Since the beginning of FY 2009, ESD appeals have increased by 10.2% per quarter, on average. During this same period, DSHS appeals grew by a modest 2% per quarter.
- The volume of appeals submitted by all other agencies has remained relatively stable since FY 2006.



Source: OAH 2010 "Tracker Report" (Corrected)

#### **III.A.4 Workload varies significantly between offices.**

- In FY 2009, the number of appeals received per month per Full Time Equivalent ALJ position ranged from a low of 60.48 in Seattle to a high of 92.85 in Vancouver.
- Differences in workload are primarily a function of appeal assignment policies.
  - Historically, Vancouver, Olympia, and Yakima have received a fixed number of appeals directly from the ESD Telecenters and Spokane and Yakima have received the remainder of appeals.<sup>2</sup> ESD appeals are re-distributed if backlogs form.
  - Most DSHS appeals are assigned based on the location of the customer office in which the appellant filed.
  - Other customer appeals ("specials") are received centrally and distributed to offices based on capacity.

OAH Appeals & Cases Closed Per ALJ (Includes Pro-Tems) FY 2008-2009		
Office	Appeals Received/ ALJ/Month (Adjusted FTE)	Cases Closed/ ALJ/Month (Adjusted FTE)
Olympia	71.20	71.00
Seattle	60.48	53.92
Spokane	84.37	76.09
Vancouver	92.85	90.68
Yakima	61.43	62.26
<b>Total OAH</b>	<b>70.33</b>	<b>65.76</b>

Source: OAH 2010 "Tracker Report" (Corrected) and OAH Time Management System

<sup>2</sup> OAH is testing and implementing centralized receipt and distribution of ESD appeals.

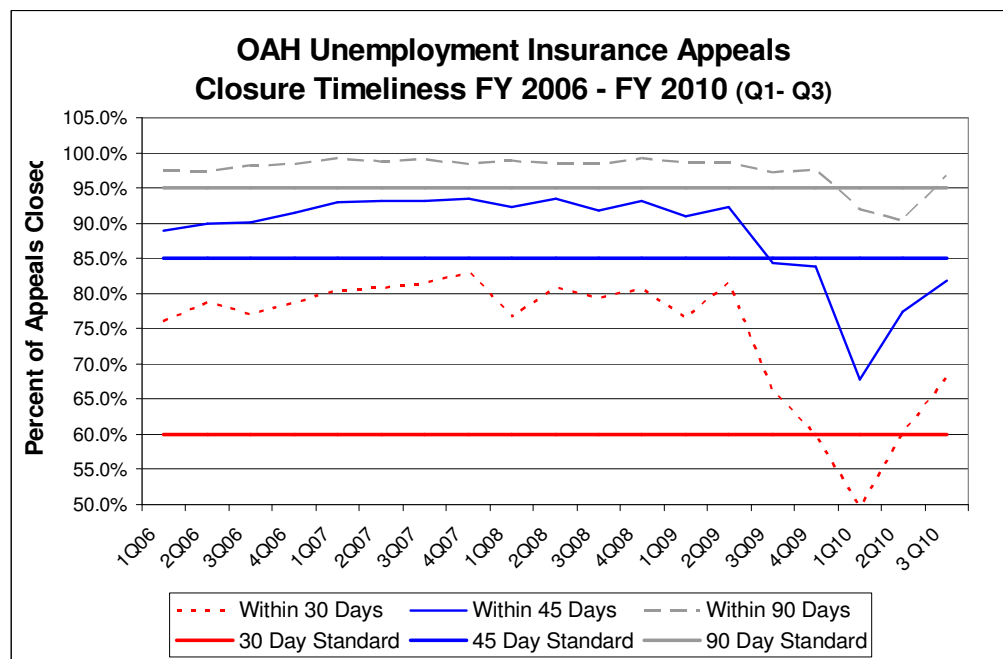
### III.B OAH's Ability to Manage Workloads

We evaluated OAH's ability to manage its workload by examining its performance against key measures (timeliness, work quality) and by looking for evidence of work backlogs. Findings are described below:

#### Performance against Key Measures

##### ***III.B.1 OAH failed to meet timeliness requirements for Unemployment Insurance appeals in 2009, but is achieving most standards as of March of 2010.***

- During FY 2006-FY2008, OAH exceeded the U.S. Department of Labor's 30, 45 and 90 day standards for timely processing of Unemployment Insurance appeals. These standards are:
  - Complete 60% of cases within 30 days of the appeal filing date.
  - Complete 85% of cases within 45 days of the appeal filing date.
  - Complete 90% of cases within 90 days of the appeal filing date.
- During a nine month period beginning in January of 2009, OAH failed to meet all three timeliness standards. Performance against the 30 day standard improved slightly in October through December of 2009, and by March 2010 OAH was reaching or exceeding all targets except for the Department of Labor's 45 day target.

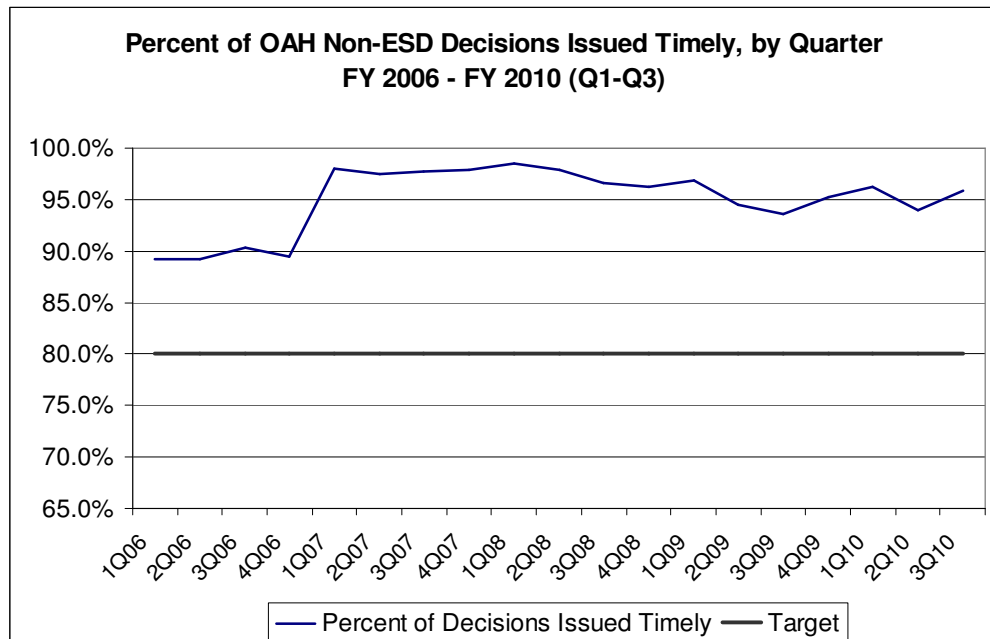


Source: OAH 2009 and 2010 "Tracker Report" (Corrected)

##### ***III.B.2 OAH is meeting internal timeliness standards for all non-Unemployment Insurance appeals.***

- OAH has established a general standard that 80% all non-Unemployment Insurance appeals will be closed within 90 days of being received by OAH.

- OAH continues to exceed this internal standard.



Source: OAH 2009 and 2010 "Tracker Report" (Corrected)

***III.B.3 OAH is meeting U. S. Department of Labor performance standards for casework quality, but standards alone provide an incomplete picture of case quality.***

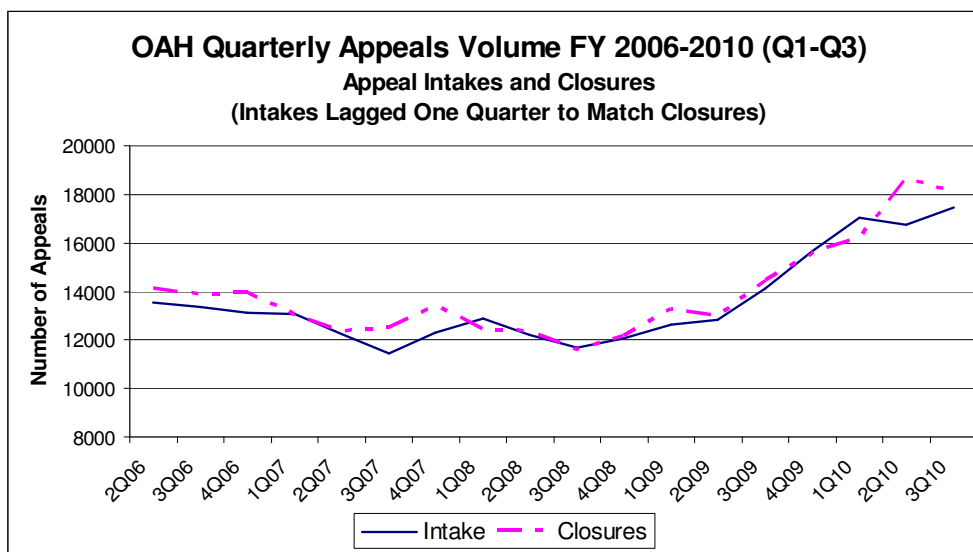
- OAH exceeds US Department of Labor quality standards for Unemployment Insurance appeals as determined by sample case reviews. OAH also exceeds these standards for non-Unemployment Insurance cases.
- While OAH scores well in case file reviews, these reviews are extremely limited in number. In FY 2009, 138 decisions were selected for review out of a total of 56,198 appeals closed.
- ESD's Non-Monetary Unit identifies basic errors (typographic errors, inconsistencies in the narrative, for example) at the time OAH decisions are entered into ESD's GUIDE application. According to our interviews with ESD representatives, the number of errors can be "significant, consistent with the sheer volume of appeals that are processed." ESD and OAH work together informally to correct these errors and to work out possible quality problems. These errors and corrections are not reflected in overall measures of quality.
- Reconsiderations are another indicator of the quality of OAH decisions.
  - In FY 2009, 17% of DSHS decisions were subject to a Request for Reconsideration. (Data were not available for other customers.)
  - Not all of these requests resulted in a final reconsideration order, but the number of those that did appears to be increasing. In FY 2008 5.8% of all DSHS decisions were ordered to be reconsidered. In FY 2009, the

percentage grew to 6.0%. During the first half of FY 2010 8.3% of DSHS decisions were ordered to be reconsidered.

## **Work Backlogs**

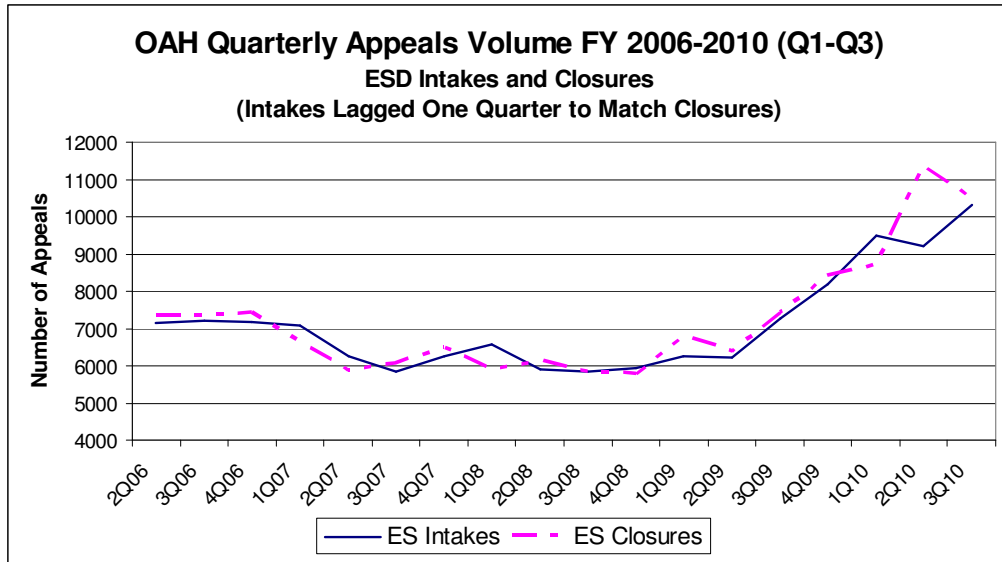
### ***III.B.4 Work backlogs have been reduced in the Employment Security caseload.***

- From July through December of 2009, OAH experienced a severe backlog in the Employment Security Unemployment Insurance caseload. OAH was unable to schedule hearings and to close appeals in a timely fashion during this period.
- “Backlog” is defined as an accumulation of unfinished work. There are three ways to determine whether appeals backlogs exist or are increasing at OAH, given available data:
  - 1) Compare the appeals received (intakes) with appeals closed over time. The relationship should be fairly constant over time. If appeals received begin to exceed appeals closed, backlogs are likely developing.
  - 2) Examine timeliness data to determine the proportion of appeals for which OAH is meeting stated timeliness goals. If timeliness is declining and the number of appeals at intake has remained stable or is increasing, backlogs are likely.
  - 3) Examine average age of appeals over time. If it is increasing, then backlogs are building. (This information was only available for Employment Security appeals.)
- For the period July 1, 2005 through March 31, 2010 we compared **appeal intakes and appeal closures**. Intakes were lagged by one quarter to reflect OAH’s stated goal that most appeals (80%) should be closed within 90 days of the date that the appeal was received.
  - Overall, OAH’s lagged intakes exceeded closures during the last half of FY 2007, and then again in the first part of FY 2009.



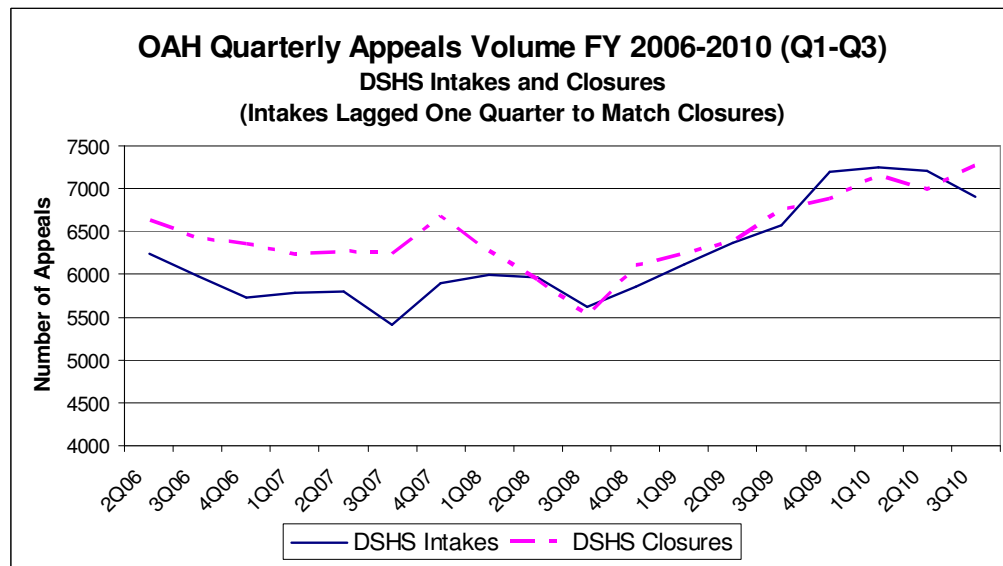
Source: OAH 2009 and 2010 “Tracker Report” (Corrected)

- ESD appeal volumes exceed closures in the first half of FY 2008 and again in the last half of FY 2009. Closures have exceeded intakes in FY 2010, reflecting OAH efforts to close aging ESD appeals.



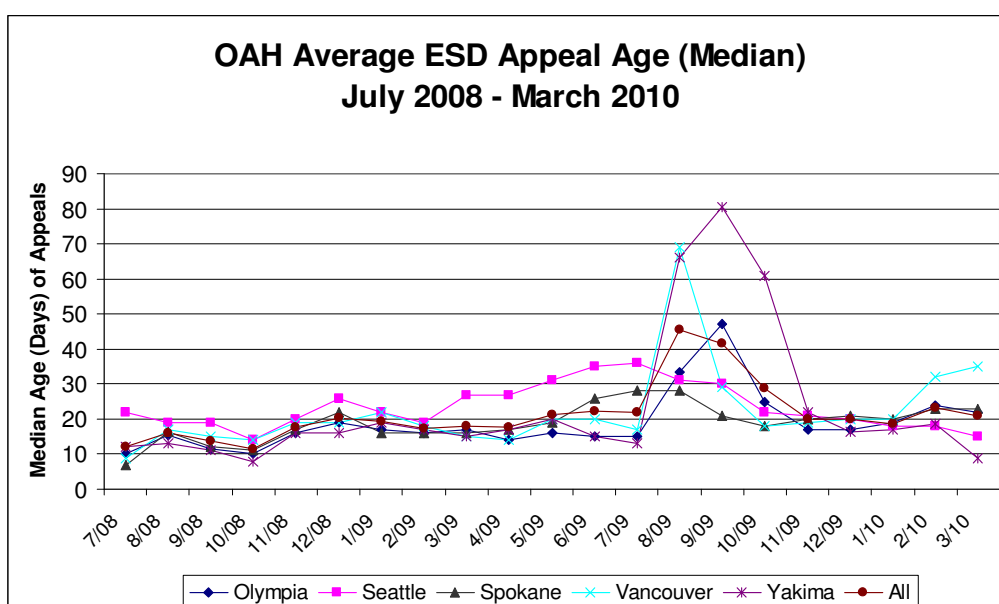
Source: OAH 2009 and 2010 "Tracker Report" (Corrected)

- DSHS appeal intakes began to exceed closures beginning in the final quarter of FY 2009 and extending through the first half of FY 2010, indicating that a backlog in that caseload was developing. By March of 2010 closures once again exceeded intakes.



Source: OAH 2009 and 2010 "Tracker Report" (Corrected)

- **Timeliness** of ESD Unemployment Insurance appeal closures began to deteriorate beginning in the third quarter of FY 2009. From January through September of 2009, OAH met DOL's 90 day standard for UI appeals but failed to meet DOL's 30 and 45 day standards. In October through December of 2009, OAH was unable to meet DOL's 90 day standard. Timeliness has since improved, and by the end of March 2010 OAH was reaching or exceeding all performance targets except for DOL's 45 day target.
- The **average median age** of ESD appeals increased significantly during July through September of 2009, but has since been reduced. Increases were most pronounced in the Vancouver, Olympia and Yakima offices, but this could reflect the fact that appeals were re-distributed to these offices in an attempt to reduce overall backlogs. (We did not have access to the average median age of non-ESD appeals.)



Source: OAH 2009 and 2010 "Tracker Report" (Corrected)

### **Employee Utilization and Assignment**

#### ***III.B.5 OAH's average hearings caseload per ALJ is high when compared nationally.***

- In a 2009 comparison of 24 states with centralized administrative hearings panels, Washington ranked fourth highest in average annual hearings caseload per ALJ.<sup>3</sup>
- According to the survey, Washington's average hearings caseload per ALJ per year was 865 in 2009, as compared to a national average of 495 appeals per ALJ. (It should be noted, however, that Washington is one of only two centralized panel states that conducts Unemployment Insurance hearings.)

<sup>3</sup> 2009 Comparison of States with Centralized Administrative Hearings Panels, conducted by the Louisiana Division of Administrative Law.

**III.B.6 There is evidence that some OAH employees are working in excess of 40 hours per week.**

- Some ALJs we interviewed reported that they are working in excess of 40 hours per week to complete work requirements. Some interviewees noted that they do not have sufficient time to conduct hearings and write decisions during the regular work week.
- The Time Management System (TMS) offers some evidence that employees in Yakima, Vancouver and Olympia worked in excess of 40 hours per week during FY2009.
  - It is difficult to confirm employees utilization (hours worked compared with FTE positions available) using data from OAH's Time Management System (TMS). ALJs are required to report standard, not actual, hours worked on Employment Security UI appeals and so hours are likely to be underreported. Additionally, we might expect any office with a high proportion of appeals for which actual hours are reported to show higher utilization rates.
  - A full time employee working no overtime would be expected to be 100% utilized. Based on our comparisons of reported hours and FTE availability In FY 2009, Yakima ALJ's were 111% utilized, Vancouver ALJ's were 103.8% utilized, and Olympia ALJs were 102.5% utilized. (See Appendix C for more detail.)
  - Support staff have the ability to report actual hours, even for ESD UI casework. Support staff in Yakima were 105.4% utilized in FY 2009.

**III.B.7 OAH is not staffed to its budgeted (approved) level of FTE positions.**

- OAH has not staffed to its budgeted (approved) level of FTE positions during the last three fiscal years.

	6/30/2007	6/30/2008	6/30/3009	7/12009 – 12/31/2009
Budgeted FTE Positions	166.60	166.80	166.50	166.80
Actual FTE (Expended) Positions	140.47	125.31	125.93	144.47

Source: OAH Fiscal Office. Includes headquarters employees. Does not include contract support staff positions.

- OAH has not staffed to the maximum levels authorized by the US Department of Labor for work on the Unemployment Insurance caseload. ESD representatives we interviewed suggest that OAH may be understaffed by as much as 17 FTE positions.

**III.B.8 Increases in hours worked (“expended FTE) appear to have resulted in improved performance and reduced ESD backlogs.**

- According to Fiscal Office data, OAH increased its expended FTE positions by 18.54 beginning in July 1, 2009. Of these, 17.01 FTE were field office positions.
- During January through March 2010, backlogs in the Employment Security UI caseload declined and overall timeliness improved.



***III.B.9 Assistant Deputy Chief Judges (ADCs) assist with case-related work. In some offices, this work is significant.***

- Our interviews revealed that most ADCs work on appeals. (The amount of time ADC's spend on case-related work ranges from an estimated 10% to 80% of total time.)

***III.B.10 OAH is not using its employee headcount efficiently.***

- "Headcount" refers to the number of unique individuals that reported time in OAH's time management system during a particular fiscal year. "Headcount utilization" compares the actual hours worked by these unique individuals with headcount. Headcount utilization is an indicator of OAH's use of part-time positions and of possible employee turnover.
- During FY 2009, 165 individuals worked the equivalent of 111.21 FTE positions, indicating that only 67.4% of OAH's total field headcount was utilized during that period.
- The Seattle office had the lowest utilization of headcount. In FY 2009, 71 employees worked the equivalent of 42.14 FTE positions for a utilization of 59.2%.

***III.B.11 Pro tem ALJs are an underutilized resource.***

- During FY 2009, 52 individuals were identified as pro tem ALJs in OAH's Time Management System. These ALJs worked the equivalent of only 16.87 FTE positions. On average, each pro tem ALJ worked the equivalent of .32 FTE.<sup>4</sup>
- Average FTE per pro tem ALJ ranged from a low of .15 FTE per ALJ in the Spokane office to a high of .66 FTE per ALJ in the Vancouver office.
- Pro tem ALJs determine their own available hours and schedules. It does not appear that they are required to work a minimum number of hours.

***III.B.12 Employee assignment practices vary between offices.***

- Our site visits and interviews revealed that employees are assigned to cover work in a wide variety of ways throughout OAH. Some of the models we found include:
  - Staff assistant (Office Assistants or Legal Secretaries). In Seattle, certain support staff are designated as "assistants" and are assigned to a set of ALJs. Assistants function in a way that is similar to the use of a bailiff in a traditional court setting. They are responsible for performing all administrative tasks related to the management of an appeal after the "first set", or when a specific ALJ is assigned to the appeal.
  - Caseload specialization. In Seattle, ALJs and support staff are organizationally divided into specialized groups for the two major caseloads (ESD and DSHS) and also have a unit dedicated to OSPI appeals. In the Olympia office, support staff are divided into caseload-specific work units. Support staff are not assigned to specific ALJs, but instead perform work for ALJs at large. In Spokane, support staff specialize by supporting specific caseloads and ALJs; however, there are some support staff that

<sup>4</sup> Source: Time Management System (TMS): data extracted by OAH for FY 2009.

work on any type of caseload and support staff are mobilized to help where they are needed.

- Flexible staffing. In Spokane, each ALJ retains control over work hours and days but is accountable for work performed.
- Generalist ALJs. In Yakima, ALJs carry “dual caseloads”. Yakima schedules most of its permanent ALJs for both ESD and DSHS hearings. Certain ALJs also work on cases for other customers, or “special” caseloads.
- Interpreter scheduler. The Seattle office employs a full time interpreter scheduler for DSHS cases. According to interviewees, the interpreter scheduler contracts with individual interpreters in order to get higher quality services at a lower price. This process is more time consuming than contracting with an agency or service that finds interpreters for a wide variety of languages. Schedulers for the remaining caseloads schedule both hearings and interpreters and use both individual interpreters and interpreter agencies.
- Teleworking ALJs – Seattle’s use of teleworking ALJs is significant. Some teleworkers never appear in the office, while some come in weekly during non-business hours to pick up and deliver files. Teleworking ALJs can cause significant additional work for Office Assistants/Legal Secretaries by requiring files to be scanned and emailed. Often, assistants create hard copies of files for either the ALJ or for their own use depending on where the original file is kept. Some ALJs that do not take the original file off-site send compact disks (CDs) with the hearing recordings to the office via US mail and the assistants need to match the CD with the appropriate files. According to interviewees this is not an easy task. Some assistants said that they had numerous case files at their desk that were closed but still needed a hearing CD to be included in the file.

The Spokane office has a very limited number of teleworking ALJs. Those that do telework do so only one day at a time and are assigned an ALJ “buddy” in the office that is responsible for supporting the teleworker by pulling documents off the printer or forwarding necessary information to the ALJ that is offsite.

Yakima has one teleworker.

### **III.C Barriers to Effective Planning and Management of Staffing Levels**

#### ***III.C.1 OAH does not have good visibility to the actual effort it takes to complete work on appeals in each office.***

- OAH’s time recording application, the Time Management System (TMS), is used primarily to meet customer reporting and billing needs, not OAH staffing management needs. As a result, total work hours are understated.
- Permanent employees are instructed to record “standard” hours for work performed for the ESD, regardless of actual hours worked. This is consistent with the U.S. Department of Labor’s reporting requirements and payment formula.

- Non-permanent employees and pro-tem ALJs may record actual hours, and employees can report actual hours worked on DSHS and all other caseloads.
- As indicated earlier, there is evidence that some employees work in excess of 40 hour each week. Any “overtime” worked on Employment Security appeals will not appear in the TMS.

***III.C.2 It is difficult to identify the true staffing resource that is available to complete appeal-related work at any given time.***

- “FTE”, or full time equivalent positions, is an elusive concept at OAH. It appears that OAH calculates actual FTE as needed, using reported hours worked as a guide. It is not clear that headquarters identifies or establishes a standard FTE for each permanent position.
- The amount of employee resources available to do case-related work is usually calculated by taking the number of Full Time Equivalent (FTE) positions that are available to do work less leave time and non-case time (management, administrative meetings and training, for example).
  - Non-case time is not accurately accounted for in the TMS. Except for in specific instances, ALJs and support staff are instructed to charge administrative time to the program they most often work.
  - ADCs and Lead ALJs have administrative responsibilities and are not fully available to work on appeals. This is not reflected in FTE.
- The number of FTE pro tem ALJs available to do work is difficult to establish. Pro tem ALJs determine their own available hours and schedules. It does not appear that they are required to work a minimum number of hours.

***III.C.3 Existing workload/caseload reports do not provide sufficient information to manage staffing levels or to monitor agency performance.***

- The “Tracker” report includes many views of caseload and performance information, but the reports we viewed contained errors.
  - “Tracker is based in an Excel spreadsheet. Each quarter, data are extracted from the three main case tracking applications (ACTS, HATSS, and CATS) and are manually entered into the spreadsheet.
  - There are opportunities for error in this reporting process. We found evidence of incorrect formulas within spreadsheet. We also found data headings that did not correctly describe the data displayed<sup>5</sup>. We were able to correct these errors by auditing the spreadsheets.
  - Data from each fiscal year are brought forward into subsequent “Tracker” reports. In our review of data from FY 2006-2009 we found that data tended to change from year to year. It appeared that corrections were made to FY reports in the year following the first year that they were published. There were no explanations for these corrections or notations that these were made. In most cases, changes were nominal but in some cases changes were in the hundreds of appeals or closures.

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<sup>5</sup> The header “Non-UI Case Decisions Issued Timely” on the Quarterly Summary page should be “Non-ESD Case Decisions Issued Timely.”

- We had difficulty reconciling extracts of CATS and HATSS data, prepared for us by OAH, to the “Tracker” reports. It was not clear whether the differences were related to problems with “Tracker” or problems with the data extracts.
- Information important to effective performance measurement and staffing planning is missing from Tracker and may not be readily accessible to management. This information includes:
  - Appeals pending action and appeal aging (all caseloads)
  - Hearings held by type (in person, phone) by location
  - Continuances granted by appeal type
  - Timeliness of hearing scheduling (days to first available hearing date).
  - Reconsiderations (all caseloads, where appropriate)
  - Number of dispositions other than Initial Order, by type (default, withdrawal, dismissal, postponement) which occur after a hearing has been scheduled.
  - Orders, by outcome (affirm, set aside, modify).
- As mentioned earlier, the Time Management System does not capture information about the actual hours worked for each customer and program. In addition, TMS data may be stale, since the reporting tool used to display the data – Crystal Reports – is only refreshed every 4-6 weeks.<sup>6</sup>

***III.C.4 Current OAH staffing models are limited in their ability to accurately project and manage staffing levels.***

- A significant part of OAH’s workload and staffing planning is driven by the U.S. Department of Labor’s Resource Justification Model (RJM).
  - ESD is required to use the RJM in order to calculate allowable expenditures for Unemployment Insurance program appeals. ESD reimburses OAH for all expenses related to its appeals using this model.
  - The RJM specifies the number of minutes per unit that can be “earned” for each UI appeal closed. As of November 2009, the number of allowable minutes per unit for the State of Washington was 195.168. OAH has no control over this standard number, and cannot establish its own standard based on actual performance.
  - OAH must ensure that cumulative hours “earned” by closing appeals are equal to the number of hours “used” (based on standard hours reported). Stated another way, OAH must ensure that earned positions are equal to standard full time equivalent positions on payroll.
- Based in part on the RJM and its related “earned/used” analysis, OAH has established production targets that ALJs should close 26-30 ESD cases/week. Similarly, DSHS ALJs are instructed to close 18 DSHS cases per week (78 per month.)

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<sup>6</sup> OAH Information Technology has created a “Performance Management Reporting System” that collects all enterprise data each day and makes it available for reporting. This is new, and is still being tested.

- Production targets do not take resource availability into consideration. They include an assumption that ALJs may need to work in excess of 40 hours per week to meet targets.
- Production targets do not account for work performed by support staff in order to close appeals.
- OAH does not currently differentiate between program types and/or circumstances when establishing production targets.
  - Exhibit III-1 demonstrates that the hours expended by OAH employees per order or per case closure vary significantly by customer and program. In FY 2009, Unemployment insurance appeals were the least time-consuming to complete (2.696 hours/closure) while each Office of the Superintendent of Public Instruction order required an average of 239.761 hours of work from intake to completion. (See Appendix C for more details.)
  - Our field office interviews also identified circumstances that are likely to impact the time that it takes to complete work on an appeal. These include:
    - Pre-hearing conference scheduled.
    - Postponements or continuances.
    - Settled without hearing.
    - Travel to hearings.
    - Need to schedule an interpreter or other special accommodation.
    - Need to schedule hearings directly with specific parties.
  - Interviews revealed that certain factors directly impact hearing times, including:
    - Use of an interpreter. (Interviewees in all offices indicated that the appellant's use of an interpreter could be expected to double hearing time.)
    - Multiple parties present.
    - Attorneys present.
    - Repeat appellants who are familiar with the system.
    - Complex law and/or facts of the case.
    - Appeals with large dollar impact on appellant/agency.
    - Appeals that might not have a large dollar impact but do have a significant impact on the agency from a policy perspective.
- OAH has not yet developed a method for projecting UI appeals volumes based on projected UI claims. The ESD UI Budget Office has attempted to share the number of UI claims denied with OAH, but does not know if this information was used. Claims denial reports can be sent to OAH weekly. This report could be used by OAH to project likely appeals volumes.

**OAH Hours Worked (Non-Leave) Per Order Issued**  
**By Customer/Program**  
FY 2008-2009

Customer/Program	Hours Per Order Issued*		
	ALJ & Pro Tem Hours	Support Hours	Total Hours
<b>Employment Security (ES)</b>			
Non UI	10.397	3.843	14.240
UI	1.658	1.038	2.696
<b>Social and Health Services (DSHS)</b>	11.258	6.184	17.441
<b>Supt of Public Instruction (SPI)</b>	186.935	52.826	239.761
<b>Dept. of Licensing (DOL)</b>	50.273	16.695	66.968
<b>State Gambling Commission (GMB)</b>	22.577	9.492	32.069
<b>Liquor Control Board (LCB)</b>	27.597	9.772	37.369
<b>Other</b>			
Attorney General's Office	68.000	38.550	106.550
Department of Early Learning (DEL)	49.300	10.772	60.072
Financial Institutions (DFI)	57.118	56.830	113.948
Fish & Wildlife (FW)	8.500	13.550	22.050
General Administration (GA)	64.000	1.000	65.000
Labor & Industries (LI)	24.664	14.162	38.826
Natural Resources (DNR)	11.617	2.000	13.617
Retirement Services (DRS)	9.500	-	9.500
Transportation (DOT)	74.500	6.000	80.500
Local Governments (LGW)	119.840	10.000	129.840

\* Employment Security hours are per cases closed, not orders issued.

Sources: FY 2009 case closure and orders issued data reported in OAH Tracking Report 2010 and FY2009 hours reported in the TMS.

### ***III.C.5 Scheduled hearing lengths vary from office to office.***

- Each office establishes its own guidelines for the length of time each hearing should be allotted in the calendar, by program. These vary from office to office.
- Some offices build decision writing time into hearings; others schedule “writing days”.
- Schedulers in each office may increase the scheduled hearing length to include more time for interpreters, multiple parties, and more complicated issues.
- These variations in scheduled hearing length add to the overall complexity of predicting staffing levels.

### ***III.C.6 OAH is accountable to Employment Security for UI staffing levels on a quarterly basis, making it difficult for OAH to make longer-term staffing decisions.***

- OAH is required to reconcile “earned” FTE positions (based on UI appeals closed) with “used” staffing levels (based on actual labor costs paid) with ESD on a quarterly basis.
- The frequency of this reconciliation makes it difficult for OAH to establish and hire positions for a base staffing level during the course of a year. Since OAH is not compensated for any labor costs that exceed “earned” FTE positions in a given quarter, it is reluctant to establish a base level of FTE positions that might exceed “earned” FTE for any quarter. Consequently, OAH tends to be understaffed during peak periods for UI appeals (October through March).
- On an annual basis, OAH will appear to be understaffed (more positions “earned” than “used”).

## **III.D Barriers to “Nimble and Flexible Staffing”**

### ***III.D.1 Several factors impact OAH’s ability to be nimble and flexible in staffing to meet workload. These include:***

- Teleworking. Teleworking, or working from home or an off-site location using remote computer access, reduces docket flexibility. Teleworkers may not be able to take new hearings as hearings are cancelled or postponed.
- Specialization of support staff. Certain tasks (such as scheduling for DSHS cases and “specials”) are assigned to specific position classifications in some offices. This limits the ability of employees in other classifications to cover functions in the absence of the primary worker.
- Overall learning curve. There is a steep learning curve for support staff, since processes and procedures vary by caseload and/or ALJ and are not well-documented.
- Specialization of ALJs. Some offices differentiate between ES work and other work, and ALJs carry specialized caseloads. This specialization is organizationally enforced in the Seattle office. While specialization is preferred by many employees, it can reduce the ability of ALJs to cover backlogged work in other programs.

- Use of pro tem ALJs. Pro tem ALJs expand OAH's qualified pool of ALJs. However, pro tem ALJs tend to work limited schedules and may not be available to take hearings as the need arises.
- Lack of coverage. Key positions in some offices are not covered in case of illness or vacation. Offices do not always have policies for coverage, or the ability to cover these positions.
- Lack of control over certain dockets. OAH has delegated control over the docket to DSHS Hearings Representatives and Claims Officers for certain cases. This reduces docket flexibility.
- Hearing scheduling timelines. Requests for hearing must be assigned to an ALJ 5-7 days before the hearing is held (depending on program). This impacts the ability of OAH to reschedule with the next available ALJ. (A workgroup is looking into changing the Washington Administrative Code to correct this.)



## IV. Leased Facilities Analysis Findings

### IV.A Overview of OAH Leased Facilities

As indicated in the table below, OAH currently leases work space in seven locations: Tacoma, Everett, Olympia, Vancouver, Yakima, Spokane and Seattle. The Tacoma and Everett locations have hearing rooms only (no assigned employees.) All other locations have a full complement of ALJs and support staff. Olympia houses a field office and OAH headquarters employees.

In recent years there has been some consolidation of offices in order to reduce overhead costs. Everett and Tacoma were consolidated into the Seattle office in 2007.

#### OAH Current Leased Facilities

January 19th, 2010

Source: OAH Fiscal Office

Location	Non-Vacant Headcount (Org Charts)	Square Footage	Annual Rate/Sq. Ft.	Monthly Lease	Sq Ft/ Headcount	Total Cost/ Headcount
Tacoma (Hearing Room)	0	156	\$ 17.65	\$ 229.45	NA	NA
Everett (Hearing Room)	0	460	\$ 18.39	\$ 705.00	NA	NA
Olympia	55	17,836	\$ 16.50	\$ 24,524.50	324	\$ 445.90
Vancouver	11	4,980	\$ 17.50	\$ 7,262.50	453	\$ 660.23
Yakima Parking	16	3,029	\$ 16.27	\$ 4,108.00 \$ 132.00	189	\$ 265.00
	16	3,029		\$ 4,240.00		
Spokane Parking	35	9,992	\$ 16.94	\$ 14,105.37 \$ 100.00	285	\$ 405.87
	35	9,992		\$ 14,205.37		
Seattle	72	9,519	\$ 32.40	\$ 25,701.30	132	\$ 356.96
Total Lease Costs	189	45,972		\$ 76,636.12	243	\$ 405.48
Total Other Costs				\$ 232.00		
Total Facility Costs		45,972	\$ 20.06	\$ 76,868.12		\$ 406.71

## **IV.B Findings**

We did not have sufficient data to allow us to determine where OAH offices should ideally be sited. (See our recommendations for further analysis.) We did visit each field office and reviewed available facilities lease data. We found the following:

### ***IV.B.1 Historical reasons for locating offices may no longer apply.***

- Historically, OAH and its predecessors located offices to promote access to in-person hearings for appellants and to maintain relationships with primary customers in the offices where appeals were generated (DSHS Client Services Offices, ESD offices).
- Today, relatively few hearings are held in-person. Most hearings are administered via conference call.
- ESD now takes requests for appeal at Telecenters, not local offices.
- DSHS plans to regionalize Hearing Coordinators and to standardize its hearings practices. This should make it easier for Hearing Coordinators to work remotely with any OAH office receiving the appeal.
- In order to preserve staffing flexibility, it may be more important to consider where qualified and available ALJs live than where appellants reside or where appeals are generated when siting offices.

### ***IV.B.2 Offices vary in terms of space allotted for hearings and to related casework:***

- Most offices are able to provide for some private office and/or conference spaces that ALJs can use to hold telephone hearings or in-person hearings.
- Spokane and Yakima offices do not have adequate private hearing space, and must conduct hearings at an open desk or in a shared office. The Spokane office recently acquired additional space, which should help to alleviate some of its space problems.
- ALJs in Seattle and Yakima offices share work spaces and use portable storage for files and supplies.
- Finding space for pro tem ALJs is a challenge in some offices. (Seattle, Spokane, Yakima)
- Support staff in the Seattle office are arranged desk to desk with no cubicle walls. File space is insufficient and not standard.

### ***IV.B.3 Using standard measures, Yakima and Seattle have insufficient space at their current locations.***

- A general industry rule of thumb for space allocation (knowledge or technical workers) is 225 to 250 square feet per person. Comparing available square feet to current headcount, Yakima and Seattle have low allotment of space per person: 189 square feet per person for Yakima, and 132 square feet per

person for Seattle. By comparison, the Vancouver office has 453 square feet per person.<sup>7</sup>

- Actual space requirements per person for OAH may be higher than standard, since offices require some private spaces in which to conduct hearings.

#### ***IV.B.4 Lease costs per employee are highest in offices with better work space.***

- Traditionally, leases are evaluated by comparing rates per square foot. By using cost per headcount (employee) instead of cost per square foot, it is possible to even out differences between less-expensive and very expensive real estate markets (such as Seattle).
- On a cost per headcount basis, Vancouver's lease cost is quite high at \$660 per headcount per month, while Yakima's cost is relatively low (\$265 per headcount per month.) At \$357 per headcount per month, Seattle's costs are quite reasonable when compared to other offices.
- Olympia and Spokane's lease costs per headcount are higher than the OAH average. Olympia's lease costs per headcount are \$324; Spokane's costs per headcount per month are \$285.
- It is important to balance these costs against the adequacy of space in each office.
  - Vancouver's costs are high, but Vancouver also has the most space per employee. Much of that space is in the form of desirable private offices and conference rooms.
  - Yakima has limited space per employee. As noted earlier, Yakima does not have adequate private hearing space and has difficulty accommodating pro tem ALJs.
  - The Seattle office clearly has insufficient space for employees, based on standard measures and on field observations. Support staff desks are not provided with cubicles to reduce noise levels for phone call and concentrated work. Space for storage, sorting work in process and files is also lacking. There is limited space for pro tem ALJs or for ALJs that telework.
  - Spokane and Olympia both exceed the rule of thumb for square feet per headcount employee. The quality of Spokane's space is an issue, however. Spokane does not have adequate private hearing space.<sup>8</sup>

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<sup>7</sup> For this analysis, we counted all employees listed on the most recent OAH organization charts. (We did not include vacant positions.)

<sup>8</sup> Our analysis included additional square feet for Spokane that was listed as "estimated".

## **V. Technology Assessment Findings**

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### **V.A Current Technology Overview and Findings**

Section 2 of this report discussed the impact of OAH's information technology on work efficiency and effectiveness. We also examined key elements of the applications and architecture, and found the following:

#### ***V.A.1 OAH uses three incompatible case tracking applications.***

- OAH uses three separate case tracking applications. "ACTS" (Appeal Case Tracking System) is used for ESD cases; "HATSS" (Hearing & Appeal Tracking & Scheduling System) is used for DSHS cases; "CATS" (Client Appeal Tracking System) is use for all other caseloads. (See Appendix F for diagrams of these applications.)
- Each case tracking application is designed to support different business processes.
- Use of multiple case tracking applications results in increased costs to train and support users.
- Use of multiple applications increases the complexity of operating and maintaining critical systems.

#### ***V.A.2 Existing case tracking applications are based on obsolete technology and lack vendor support.***

- The current case tracking applications are based on technologies and products that are outdated (Oracle 9i) or, in some instances, de-supported (Paradox).
- ACTS uses distributed architecture. Employer data bases are different in each office, and over time have been modified to meet individual office needs.
- Product vendor support is mandatory in the medium-term to ensure that the case tracking applications may continue to be operated. Any changes in the information technology environment (new versions of Windows, for example) can result in catastrophic failures of obsolete software products.
- Employing obsolete or de-supported products limits the ability of OAH to obtain support and development services. This is due to the fact that information technology professionals are highly motivated to focus on current and mainstream products.
- Employing obsolete products limits the ability of OAH to take advantage of employees' knowledge of common office applications (Microsoft Word, Outlook). Similarly, use of obsolete products limits the ability of employees to enhance their marketable skill sets.
- Recently, OAH has taken actions to reduce its dependence on obsolete technology and move to industry-standard technologies such as SharePoint. This strategic move is to be commended.

#### ***V.A.3 Existing case tracking applications have weak security.***

- Each of the existing case tracking systems has poor security, especially the presence of too many "super users".

- ACTS allows users to create and build documents, including notices and orders. There is no version control and no internal security; any user may modify an existing document. There is no audit trail for document changes.
- Weak security exposes OAH to the potential loss of data and/or inappropriate release of confidential information.

***V.A.4 Existing case tracking applications inadequately support operations of OAH.***

- This topic is also addressed in Section II of this report.
- OAH employees have developed a number of manual methods to manage cases and case events. Effectively, the case tracking applications largely record events and do not automate them. This is inefficient and relies on personal efforts by employees to ensure cases are managed effectively. This infelicity is worsened by the fact that there are three case tracking applications, each of which requires different workarounds and manual methods.
- Existing applications do not enforce data completeness, quality and timeliness standards.
  - Data integrity is suspect in all applications. Existing applications do not contain data validation rules or enforce valid values. In some cases, users are allowed to leave important fields blank.
  - This problem is especially significant in the ACTS system, where employer names have been entered using multiple spellings or formats. This problem is compounded by the fact that each office maintains its own version of ACTS and its own employer data base.
  - OAH personnel have little confidence that the information that they retrieve is accurate.
- Existing applications limit the ability to share information across caseloads and offices. Similarly, they limit the ability to standardize on best practices across the state.
- Existing applications do not effectively support a single queue, multiple server strategy to managing caseloads.

***V.A.5 Existing case tracking applications limit management effectiveness.***

- The existing case tracking applications do not provide management with an agency-wide perspective of caseloads, productivity or other key performance metrics.
- Existing case tracking systems do not provide OAH management with the ability to identify bottlenecks and delays and to take corrective action.

***V.A.6 Existing case tracking applications present an unacceptable level of risk for OAH.***

- Failure of one or more of the current case tracking applications would effectively put OAH out of business until a workaround or replacement was implemented. This not only adversely affects OAH, it may also adversely affect the legal rights and interests of the parties whose appeals are or should be heard.

- Actions taken to resolve a case tracking system failure are likely to be much more costly and less successful than a more process to replace case tracking applications.
- The current case tracking applications should be replaced by a single, state-wide case tracking

## **V.B Case Tracking System Replacement Options**

We identified five options for replacing ACTS, HATSS and CATS. A detailed comparison of these options may be found in Appendix D, and a diagram of a proposed CMS appears in Appendix F. Our cost assumptions are described in Appendix E. The options are:

### ***V.B.1 Maintain the status quo.***

- As discussed above, this option presents an unacceptable level of risk to OAH. OAH is strongly urged to not to maintain the status quo in respect to its case tracking applications.

### ***V.B.2 Standardize on a single application for all appeal types.***

- Each of the existing case tracking applications entails unacceptable risks to OAH.
- The DSHS Interlocal Agreement with OAH states that OAH must use the HATSS system for tracking DSHS cases until OAH and DSHS jointly agree that a new tracking system is needed, a complete business analysis is conducted and any necessary changes are implemented.<sup>9</sup>
- OAH is strongly urged not to pursue this approach.

### ***V.B.3 Develop a new case management/caseload tracking application***

- While this option would address the risks and other problems inherent with the existing case tracking applications, it is more costly and more difficult (and hence, more risky) than implement a commercial off-the-shelf case management system ("COTS").
- Additionally, OAH is very unlikely to receive the level of funding (several million dollars) required to implement this solution.
- This option is not recommended.

### ***V.B.4 Buy a commercial off-the-shelf ("COTS") case management application.***

- This option is the best long-term option for OAH. In addition to resolving the technology risks associated with the current applications, this option has the potential to provide significantly more functionality to improve efficiency and effectiveness.
- Conservatively, OAH should budget \$2m to replace existing case tracking with a COTS case management application.
- In the current budget environment, this level of capital investment funding may be difficult to obtain. However, the urgent need to address the risks to OAH operations posed by the current applications remains.

<sup>9</sup> DSHS Interlocal Agreement with OAH, #0961-66242, dated December 16, 2009.

***V.B.5 Create an interim case tracking solution using standard State of Washington tools and industry standard technologies and products.***

- This option entails developing a single case tracking application combining the best functionality of ACTS, HATSS and CATS for use for all case types and all offices. This will improve the ability of OAH to better manage workloads across the state.
- This replacement system should be built using industry standard technologies supported by the State of Washington. This will minimize vendor- and technology-related risks.
- This solution will largely replicate the best features of the existing applications, but will not likely add significant new functionality from an end-user perspective.
- This option should significantly improve the ability to collect and report key performance data by type of case, by office and on a state-wide basis.
- With strict control of scope, OAH should be able to develop a basic application for ~\$300K. (See Appendices D and E.)

**V.C Technology Opportunities**

In addition to the urgent need to replace the current case tracking applications, we recommend that OAH consider the following:

***V.C.1 Consider using Outlook for scheduling hearings and other events.***

- Scheduling of hearings and other case events is largely performed manually and then recorded in the various case tracking applications.
- Due to the use of three different scheduling systems and restrictions on who is able to access which case tracking applications, event scheduling is less effective than it can be.
- OAH should consider using Outlook for scheduling in the future. Outlook includes a rich set of scheduling functionality and can be interfaced directly a new case tracking application.
- With appropriate controls, personnel should have read-only or update access to schedules for all case types in all offices.

***V.C.2 Consider using Word for document creation.***

- OAH should consider replacing WordPerfect with Microsoft Word when it replaces the current case tracking applications.
- Word includes features which can replicate the document generation features of the current applications. It should be possible to extend this functionality to additional case types when a replacement system is implemented.

***V.C.3 Use SharePoint to share documents and files electronically state-wide.***

- OAH has implemented SharePoint. SharePoint provides a rich set of document and content management features and other related features, such as collaboration.
- SharePoint poses very low technology- and vendor-related risks to OAH. Given that SharePoint is currently installed (and has support within the State), this product is the preferred tool for electronic document management within OAH.

- Consider using SharePoint to automate sharing documents and files state-wide. In particular, consider using SharePoint as a vehicle for electronically transferring files to balance workload across offices. This would support a single-queue, multiple-server strategy for managing case loads.

***V.C.4 Improve system and data security.***

- Replacement of the existing case tracking applications provides an opportunity to review and improve system and data security. Industry standard technologies include many features to protect data security and privacy. Vendors of mainstream products actively update their software to address security issues.
- The application replacement project should be scoped to include a systematic review of security and privacy requirements. This includes determining who within the organization needs access to what information.
- Additionally, initiatives by OAH to expand use of SharePoint, Outlook, MS Office and other industry standard technologies should include address security and privacy requirements.

***V.C.5 Improve data quality.***

- The three current case tracking applications lack comprehensive editing features. Furthermore, there is reportedly a great deal of variation between offices and individuals in respect how the systems are used and what data is recorded in them. This suggests that a significant effort will be required to “clean up” and standardize data as it is converted from the legacy applications to the replacement system.
- Data clean up can be difficult, slow and costly. The project to replace the current case tracking applications should be scoped to include a significant effort to assess data quality and undertake the necessary actions to ensure that the replacement application does not suffer from “GIGO”, or “garbage in, garbage out”, problems.



## VI. Recommendations

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In this section, each recommendation is summarized in a table that includes a description, summary of potential benefits, and risks of inaction. Supporting finding numbers are referenced from earlier sections of this report and the scope and suggestions for implementation are also included. Recommendations are organized by major topic covered in the report.

### **Policy, Practice and Process Recommendations**

#### ***Recommendation P1 – Streamline, standardize, and document processes and policies statewide.***

##### Description:

- Streamline and standardize work processes statewide. Create a centralized process for presenting, analyzing, adopting and documenting processes and improvements and updates to processes.
  - Develop a vetting process that presents process changes to a team that includes representatives from all OAH functions. Develop a standard decision-making process for adopting process improvements and policy changes.
  - Document process procedures and policies. Store documentation on the OAH intranet so that there is no duplication of effort and all employees have access to the most current documentation.
  - There are many opportunities for streamlining processes to maximize through-put and smooth out work flow. Specifically, eliminate bottlenecks between ESD Telecenter to OAH, at intake, between the hearing and first decision draft, and first draft to final decision. There are opportunities for redistributing work among support staff to smooth out workload.
- Develop standard policies statewide for:
  - Postponements, continuances
  - Setting hearings that involve attorneys, interpreters, or multiple parties.
  - Removal of files from work site
  - Teleworkers (on-site versus off-site work) policies and file handling practices.
- Assign knowledgeable support staff to assist pro se clients with procedures (similar to court facilitators.) Assistance should help to reduce the need for continuances, make better use of hearing time, and improve the quality of information and communication methods with OAH.

***Recommendation P1 – Streamline, standardize, and document processes and policies statewide.***

- Work with stakeholders to standardize the format of electronic forms and exhibits to eliminate rework and make it easier to build the case file.
  - Assess the importance of standard exhibits to determine if all are necessary.
  - Determine if ESD electronic files can be sent in a format that eliminates or reduces manual sorting and numbering.
- Standardize file set-up for all case types in all offices to share best practices and facilitate sharing work/employees among offices.
  - Clearly and boldly indicate due dates.
  - Use standard file color codes to designate case types.
- Develop a common workflow for case set-up, file handling, and file distribution, by appeal type. “Specials” or complex hearings that typically require pre-hearings and lengthier hearing times should also follow a standard process.
- Standardize location of case files when not in use by an ALJ or support staff.
- Design work spaces to facilitate work flow.
  - Locate employees in proximity to the people and equipment they need to interact with (faxes, copiers, and other support staff that share workload).
  - Provide support staff with adequate space to manage work in process that can be sorted by deadlines.
  - Balance the need for support staff to interact and share workload with the need for some separation to carry on a telephone conversation or successfully complete work that requires concentration.
  - Ensure that there is adequate hearing space (in-person and teleconference) to support the standard docket at each office taking into consideration teleworking policy and use of pro tem ALJs.
- Assess the efficiency of the how documents are produced. Consider the cost benefit of ALJs producing all documents, using voice recognition software or dictation services.
- Standardize interpreter procurement and create accountability for timely payment processing. Assess the cost benefit of using various interpreter services balancing quality of service, price, and efficiency of procurement and payment processes.
- Eliminate duplicate communications such as noting hearings on Outlook, emails and shared scheduling tools.

***Recommendation P1 – Streamline, standardize, and document processes and policies statewide.***

Potential Benefits:

- Reduce process cycle time. Measure process improvement cycle time to ensure that changes made produce the desired results. (If we change how we build a case file, does it really take less time? Does it still meet ALJ needs?)
- Reduce average duration of the hearing process.
- Reduce lost files and information.
- Improve access to justice for clients.
- Reduce stress among support staff.
- Improve customer service to clients by being able to access information more quickly.
- Improve customer service and consistency statewide by standardizing processes and policies.
- Increase the ability to share workload and employees among offices statewide.
- Use of facilitators should reduce the time required to process paperwork and hold hearings with pro se clients.

Risks of Inaction:

- Lose customers due to poor service delivery.
- Continue to experience high turnover among support staff in some offices.
- Reduce OAH's ability to provide quality service on a limited budget.

***Supporting Findings:***

*II.A.3, II.A.4, II.B.1, II.B.2, II.B.3, II.B.4, II.B.5, II.C.1, II.C.3, II.C.5, II.C.6, II.D.3, II.E.1, II.E.2, II.E.4*

***Project Scoping***

Priority:

High

Estimated Difficulty:

Process improvements can be made in an incremental fashion as resources allow. The level of difficulty depends on how dramatic the changes are.

Implementation Timeframe:

Implementation can begin in the very short-term. However, it is likely that fully standardizing improved processes could take several years depending on the priority and resources allocated to the effort.

***Recommendation P1 – Streamline, standardize, and document processes and policies statewide.***

Actions Required to Implement:

Create a centralized process for presenting, analyzing, adopting and documenting processes and improvements and updates to processes. Use the recommendations from this report as starting point for process issues to address.

Estimated Costs:

Employees' time for participation in improvement efforts. It would be optional to acquire consulting assistance to facilitate this group and help expedite progress. There also could be travel costs involved if the centralized process improvement team was able to physically meet periodically.

Potential Barriers to Implementation:

Inability to allocate appropriate resources (employee time) to the change process. Lack of willingness to change current business policies, practices and processes.

## ***Recommendation P2 – Manage files and case-related information.***

### Description:

- Until OAH is able to acquire the technology to eliminate paper files, it must invest in devising the processes to better manage case files and contents to reduce risk and improve efficiency, effectiveness and customer service. Suggested process changes include:
  - Create standard case files that are color coded by program as demonstrated in best-practice OAH offices.
  - As files are queued for an activity (intake, scheduling, short-orders, case close-out, publishing/mailling) organize by due dates. A model to consider is Spokane's methodology with better storage and filing tools.
  - Dates should drive workload priority.
  - Support staff should have adequate space and standard filing tools to neatly file queued up work.
  - Files should move through all offices in a standard way.
  - Unassigned filing logic should be identical at all offices.
  - Assigned filing logic and policies regarding removal should be identical.
  - Consider noting location of files, particularly those that might be work in process for support staff or the ALJ in the appropriate case file system.
- Expedite matching of incoming information to cases:
  - Distribute mail as soon as it becomes available.
  - Locate fax machines close to the support staff responsible for distribution.
  - Consider using different fax numbers for ESD and DSHS cases.
  - Support staff that distribute incoming information should be trained and able to look up docket information in all three case tracking systems.
  - Clarify instructions to appellants and agencies to ensure incoming information is identified properly.
  - Set standards such include case docket number in emailed information that come from other state agencies.
  - Consider providing return envelopes or address/fax head stickers to ensure returned information is properly identified with program and docket number.
  - Work with appellants and departments to use emailed information whenever possible. (A pro se facilitator could help in this effort.)
  - Use generic email addresses so that multiple support staff have access to the same information. (Spokane model)

### ***Recommendation P2 – Manage files and case-related information.***

- Minimize calls going to voicemail:
  - Consider implementing a call answering system that routes calls by case type and if the call is related to an imminent hearing
  - Organize support staff in teams to cover incoming calls.
  - Consider rotating phone duty among support staff for a period of time daily.
- Substitute e-mail messages for hard copy phone messages, where practical. Use docket number to identify messages.
- Have separate in-boxes for urgent tasks and protocols for using the “high priority” designation for emails.

#### **Potential Benefits:**

- Reduce the number of hearings that are held with missing information.
- Reduce the incident of lost information.
- Reduce the time required to sort and distribute incoming information.
- Provide more responsive telephone service to customers.
- Reduce time wasted when withdrawals are not communicated in a timely fashion.
- Increase employee productivity.
- Reduce the volume of communications when redundancies are eliminated.
- Improve appellant access to justice.

#### **Risks of Inaction:**

- Perpetuate inefficiencies.

### ***Supporting Findings:***

*II.B.2, II.B.5, II.E.1, II.E.2*

### ***Project Scoping***

#### **Priority:**

Medium

#### **Estimated Difficulty:**

Low to medium

#### **Implementation Timeframe:**

Implementation can be incremental. Many improvements could be made in the short-term.

#### **Actions Required to Implement:**

Agreement to standard communication protocols.

***Recommendation P2 – Manage files and case-related information.***

Estimated Costs:

- Employees time for developing and gaining approval of protocols internal to OAH and with other stakeholders.
- Costs of changing the form and content of notices and potentially including return mail or mail/fax head labels.
- Cost of color coded files and filing systems.

Potential Barriers to Implementation:

- Internal willingness to change.
- Difficulty of developing external communication protocols that will work for OAH, appellants and stakeholders.

### ***Recommendation P3 – Consider new models for employee assignments.***

#### Description:

- Implement a team approach to cover absences, reassign workload easily, and replicate the effective sense of teamwork found in smaller offices in a larger setting.
  - Support staff teams should have a lead that monitors workload and reassigns resources as needed. Teams can assist other teams when needed in larger offices. As electronic documents and other technologies become available, workload could potentially be transferred among locations as well.
  - Minimize specialization of support staff. Cross-train as many support staff as possible on a variety of functions with the knowledge that there are some functions that are more difficult than others and would require different levels of expertise allowing for senior and junior support staff positions.
  - Cross-train reception and support staff to use HATSS, CATS, and ACTS for checking appeal status and other simple functions.
- Where possible, separate “back-room” processes from reception and customer contact. Allow schedulers and production typists to work independent of interruptions.
- Rethink current models for specializing support staff to gain more flexibility:
  - Office Assistant/Legal Secretary model and full-time interpreter scheduler in Seattle
  - Specialization of support staff by position classification or program.
- Consider using the “buddy system” for teleworking ALJs.
- Monitor performance of teams to create a sense of teamwork towards common goals.

#### Potential Benefits:

- More easily manage fluctuations in workload.
- More easily cover for absences.
- Build a sense of teamwork and accountability among members of teams that are of a manageable size.
- Improve job satisfaction among support staff by providing more variety in the work.
- Teams of ALJs could help normalize workload, cover absences or assist when schedules get hearings go longer than the time allotted.

#### Risks of Inaction:

- Allow urgent work to be delayed when the responsible person is not in the office.
- Under utilize resources by not enabling the organization to quickly transfer resources based on workload.



<b><i>Recommendation P3 – Consider new models for employee assignments.</i></b>	
<b><i>Supporting Findings:</i></b>	
<i>II.A.4, II.E.1</i>	
<b><i>Project Scoping</i></b>	
<u>Priority:</u> Medium	<u>Estimated Difficulty:</u> Medium
<u>Implementation Timeframe:</u> Short-term – could be implemented within 1 year	
<u>Actions Required to Implement:</u> <ul style="list-style-type: none"> <li>➤ Define a staffing model that can be replicated in each office.</li> <li>➤ Update job descriptions as necessary.</li> <li>➤ Create process and procedure documentation.</li> <li>➤ Provide employee training on new responsibilities.</li> <li>➤ Potentially redesign work space or location of employees to facilitate teamwork.</li> </ul>	
<u>Estimated Costs:</u> Employee time and training.	
<u>Potential Barriers to Implementation:</u> <ul style="list-style-type: none"> <li>➤ Resistance to change.</li> <li>➤ Potential issues with changing employee job classes.</li> </ul>	

***Recommendation P4 – Clearly identify responsibility for each appeal and accountability for overall case flow.***

Description:

- Confirm that the ADC or his/her designee is responsible for overall office performance. Performance should be monitored on a weekly basis. Trends need to be analyzed over time to project workload and staffing needs.
- Set clear expectations for production that are objective and measurable. Performance measures should not be used in a punitive manner but as a tool for identifying problems that need to be resolved or anomalies in cases that might require adjusting workload expectations.
- Consider assigning support staff responsibility for managing the appeal to until it is assigned to an ALJ (“first set”). Responsibility would be assigned to teams were workload in managed by a lead or supervisor.
- Consider assigning ALJs the responsibility for hearing the case and getting the decision out the door and closed in the tracking system.
  - Allow ALJs have the flexibility to organize their hearing and writing time to get work done in a manner that works best for them.
  - Manage and minimize the hand-offs with support staff.
  - ALJs and support staff need to develop standards for collaboration to smooth workload and maximize through-put. ALJs and support staff need to work together to keep the pipeline of work flowing smoothly, rather than accumulating large batches of work before passing work to another participant in the process.

Potential Benefits:

- Clear accountability for performance.
- Eliminate the need for “micro-managing” processing.
- Allowing ALJs and support staff more flexibility in organizing work to meet production expectations.
- Stimulate creativity for continuous improvement.

Risks of Inaction:

- Lack of accountability for improving performance that might not be meeting standards.
- Allow issues impacting performance to perpetuate.

***Supporting Findings:***

***Project Scoping***

*II.B.6, II.C.4, II.C.5*

Priority:

High

Estimated Difficulty:

Medium

***Recommendation P4 – Clearly identify responsibility for each appeal and accountability for overall case flow.***

Implementation Timeframe:

Short-term – implemented within 1 year.

Actions Required to Implement:

- Define performance expectations.
- Develop performance reporting tools.
- Adjust scheduling policies and tools to allow for ALJs to provide input on hearing calendars.
- Build weekly performance reviews into operational management practices.

Estimated Costs:

Cost of developing reporting tools.

Potential Barriers to Implementation:

Resistance to change.

***Recommendation P5 – Take actions to ensure access to justice for Limited English Proficiency appellants.***

Description:

- Provide all written communication in appropriate languages for limited English proficiency clients. Communications should not be prepared using the current “cut and paste” method used for languages other than Spanish and Vietnamese.
- Consider holding hearings that require an interpreter in-person, using video conferencing technology, or having at least the interpreter and appellant in the same location for the hearing.
- Consider translating decisions or at least creating a notice that would go out with the hearing that informs the recipient of their right to an interpreter in the appropriate language.

Potential Benefits:

- Improve access to justice for Limited English Proficiency Appellants.

Risks of Inaction:

- Limited English Proficiency Appellants may be disadvantaged in their review of official OAH communications.

***Supporting Findings:***

***Project Scoping***

*II.C.1, II.C.2, II.C.3, II.D.1, II.D.2, II.D.3, II.D.4*

Priority:

Medium

Estimated Difficulty:

Medium to high

Implementation Timeframe:

- Implementation is dependent on gaining the funds necessary.

Actions Required to Implement:

- Translate standard notices into as many languages as practical.
- Identify resources for translating decision documents.
- Determine the feasibility of holding hearings requiring interpreters in-person, using video conferencing technology, or having at least the interpreter and appellant located in the same location.

***Recommendation P5 – Take actions to ensure access to justice for Limited English Proficiency appellants.***

Estimated Costs:

Unknown.

Potential Barriers to Implementation:

Acquiring funding for the propose solution.

***Recommendation P6 – Continue to improve training for support staff and ALJs.***

Description:

- Expand current ALJ training for policy, law, and rule updates.
- Improve technology training for support staff and ALJs:
  - HATSS, CATS, ACTS and any new technology that is acquired (SharePoint, a new case management system.)
  - Dragon voice recognition software.
  - Basic Desk-top tools (Word, Excel, Outlook, file management, WordPerfect if it will remain in production.)

Potential Benefits:

- Improve employee productivity and efficiency.
- Provide employees with a broader knowledge of available technology tools to promote process improvement.

Risks of Inaction:

- Underutilization of technology tools available.

***Supporting Findings:***

*II.E.1, II.E.3*

***Project Scoping***

Priority:

Medium

Estimated Difficulty:

Low

Implementation Timeframe:

Short-term – implemented within 1 year

Actions Required to Implement:

- Develop training program for proprietary systems (HATSS, CATS, and ACTS).
- Determine appropriate state or agency resource for desktop training.

Estimated Costs:

- Employee time to develop training for proprietary systems.
- Cost of desk-top training courses.

***Recommendation P6 – Continue to improve training for support staff and ALJs.***

Potential Barriers to Implementation:

Difficulty in finding/funding resources to support HATSS, CATS, and ACTS training.

### ***Recommendation P9 – Balance performance expectations.***

#### Description:

- Create a set of performance measures that balance production and timeliness with customer service and quality. Include mandated performance targets and customer input to help determine what the balance should be.
- Develop standard measures and targets that employees can rally together to strive to achieve. Measures should be visible in all areas of the office and discussed in staff meetings.
- Simplify and strengthen management reporting. Create accurate, reliable reports that focus on information that is important to ADCs as well as headquarters.
- Develop a strategy for implementing a culture of managing for results.
- Ensure chosen measures are relevant to each caseload.

#### Potential Benefits:

- Improve customer service.
- Improve consistency of service among offices.
- Improve access to justice for all appellants.
- Better meet stakeholder expectations.
- Focus efforts in areas that matter most making better utilization of resources.
- Identifying quality issues allows OAH to develop a means to correct those issues.

#### Risks of Inaction:

- Loss of customers due to inadequate service levels.

### ***Supporting Findings:***

*II.C.1, II.C.2, II.C.3, II.C.4, II.C.5*

### ***Project Scoping***

#### Priority:

High

#### Estimated Difficulty:

Medium

#### Implementation Timeframe:

Short-term – implemented within 1 year

#### Actions Required to Implement:

- Document mandated performance requirements.
- Gather service level expectations from stakeholders.



***Recommendation P9 – Balance performance expectations.***

- Adjust internal performance reporting to accommodate new performance measures.
- Gather data. Determine where performance is falling short.
- Develop and action plan for addressing opportunities for performance improvement.
- Consider investing in training for managers and supervisors on performance management.

Estimated Costs:

- Employee time for conducting analysis and develop performance reporting tools.  
Performance management training.
- 

Potential Barriers to Implementation:

- Conflict over what performance expectations are fair.

***Recommendation P10 – Work with stakeholders to set service level expectations.***

Description:

- Develop Interlocal Agreements/service level agreements with each customer that clarify the duties and expectations of all parties. For smaller or less frequent customers, use a standard agreement.
  - Roles and duties should be standard statewide.
  - Service levels should be standard statewide.
  - Each agreement should specify how OAH will be compensated.
- Develop a pricing strategy that OAH is willing to support with regular data collection. This might require that employees track time at a more detailed level or that additional case tracking statistics might be necessary. Examples of pricing strategies include:
  - Pay OAH based on actual hours expended. This could be an average blended rate of all employees or by position. The degree of granularity is up for discussion.
  - Pay OAH per case closed by case type.
  - Pay OAH a flat fee per month for support up a certain number of cases, with a periodic adjustment if volumes are different than projected.
  - Fund a set number of FTE positions for ALJs and support staff and all costs related to annual training sessions (SPI model).
- Determine standard costs by case types. This will require that fully loaded employee costs per hour and average level of effort by case type be developed.
- Analyze each pricing structure to determine if it will provide the resources necessary to support service level expectations. Negotiate with customers to determine service levels and compensation that is adequate.

Potential Benefits:

- OAH will fully understand customer needs and priorities.
- OAH will be appropriately funded to provide the level of service desired by customers.
- Customers will receive the level of service they desire.

Risks of Inaction:

- Attempt to deliver a service level that requires more resources than received by OAH. This would lead to a budget deficit or service levels below expectations of customers.
- Lose business to other hearing resources that are perceived to provide better or more cost effective service.

***Recommendation P10 – Work with stakeholders to set service level expectations.***

***Supporting Findings:***

*II.A.5, II.C.1, II.C.2, II.C.3, II.C.5, II.C.6, II.D.3*

***Project Scoping***

Priority:

Medium

Estimated Difficulty:

Medium

Implementation Timeframe:

Short-term – implemented within 1 year

Actions Required to Implement:

- Analyze costs to determine the average cost to process a case by case type.
- Meet with customers to define service expectations.
- Develop various cost recovery models.
- Reach consensus on service levels and payment methodology.
- Collect required billing data to support payment methodology.
- Monitor performance to ensure that service levels are met.

Estimated Costs:

- Employee time to conduct analysis, attend customer meetings, and administer the billing process and performance monitoring system.

Potential Barriers to Implementation:

- Difficulty and cost to gather the necessary data to support a proposed billing methodology.

***Recommendation P11 – Fully leverage existing office technology to support case management, electronic document management, communication and reporting.***

**Description:**

- Eliminate duplicate communication (email, notes, phone calls, Outlook, logs). Set standard communication protocols.
- Maximize electronic communication through the use of email, document sharing on secured internal servers.
- Ensure that all employees have access to the applications they need (HATSS, CATS, ACTS, Guide, others)
- Ensure the all employees have appropriate training to leverage the full capabilities of systems and desk-top tools.
- Implement WebEx teleconferencing as planned.
- Share “good practice” scheduling tools (Excel, WordPerfect) between offices. Use Outlook to allow employees real-time access to schedules office-wide.
- Use SharePoint to manage and share documents, especially appeal decision-banks.
- Migrate toward electronic document management as resources become available.
- Update technology used to develop decisions.
  - Use modern/supported technology.
  - Update and refine the search capabilities of decision library.
  - Ensure ALJs are trained to leverage the capabilities of the technology provided.
  - Implementation a standard voice recognition software tool.

**Potential Benefits:**

- Improve productivity and efficiency.
- Reduce confusion and uncertainty about how information will be received.
- Reduce the cost of creating, indexing, routing, filing and storing paper documents.

**Risks of Inaction:**

- Risk of unsupported technology (WordPerfect) failing which would essentially stop all work at OAH.

***Supporting Findings:***

*II.D.4, II.E.1, II.E.2, II.E.4*

***Recommendation P11 – Fully leverage existing office technology to support case management, electronic document management, communication and reporting.***

***Project Scoping***

Priority:

High

Estimated Difficulty:

Low to high, depending on the scope of the changes undertaken

Implementation Timeframe:

Short-term – implemented could begin within 1 year and continue indefinitely.

Actions Required to Implement:

- Define technology improvement projects
- Prioritize projects.
- Assign accountability for implementation.
- Ensure changes are implemented in a standard way statewide.

Estimated Costs:

- Employee time for implementation and coordination.

Potential Barriers to Implementation:

- Resistance to change.

## **Workload & Staffing Recommendations**

### ***Recommendation W1 – Explore strategies to balance workload between offices.***

#### **Description:**

- Expand the “single queue/multi-server” approach used for “specials” to other caseloads, as appropriate.
  - OAH headquarters currently uses this method to assign “special” cases to offices depending on resource availability, where feasible.
  - OAH is pilot-testing this concept for ESD appeals.
- Identify the FTE position resource in each office (capacity) and monitor available capacity on a regular basis.
- Use “leading indicators” to help balance workload among offices. These might include timeliness, quality, and average age of pending cases.
- Where possible, refer appeals and supporting information to offices electronically, before physical files are built. Reduce or eliminate re-distribution of physical files between offices.

#### **Potential Benefits:**

- Balances workload more evenly between offices.
- When used in combination with a weighted caseload model (Recommendation W3) can help to distribute workload to where resources are known to be available.

#### **Limitations/Risks:**

- This approach may have an impact on customers with hearings officers or claims representatives, since the appeal may be heard outside of the region where the appeal was initiated. Customers should be involved in the change.
- The single queue approach adds workload to headquarters.
- The single queue approach could add extra time to the overall time it takes to process appeals. This should be monitored.

### ***Supporting Findings:***

*III.A.3, III.A.4, III.B.1, III.B.2, III.B.3, III.B.4*

### ***Project Scoping***

#### **Priority:**

High

#### **Estimated Difficulty:**

Medium

***Recommendation W1 – Explore strategies to balance workload between offices.***

Implementation Timeframe:

Short to Medium-term – could be implemented within 1 year

Actions Required to Implement:

- Develop a simple weighed caseload model (see Recommendation W3.)

Estimated Costs:

- Additional work activities for headquarters employees.

Potential Barriers to Implementation:

- Push-back from customers with local or regional connections to OAH offices.

## ***Recommendation W2 – Maximize efficiency of dockets/calendars.***

### Description:

- Regain control over DSHS dockets. Ensure that OAH schedules hearings and controls its own calendars.
- Reconsider decision to allow DSHS Division of Child Support (DCS) to conduct settlement conferences in advance of OAH's scheduled hearing time. (With limited planning, conferences could be conducted in the few minutes prior to the scheduled hearing without inconveniencing the appellant or the Hearings Officer.)
- Standardize hearing times by program type. Collect additional data to determine best mix of hearing time/writing time, and to determine whether scheduled hearings should include writing time or whether scheduled writing periods are necessary.
- Research and consider implementing OAH "good practices" statewide. These include:
  - Flexible work assignment (Spokane office)
  - Dual case assignment/ALJs work dual dockets (Yakima office)

### Potential Benefits:

- Reduction in the number of continuances (and related workload, processing time) that are generated when DCS hearings run long because the start of the hearing was delayed.
- Greater continuity between offices. More predictable processes and events for customers and appellants.

### Limitations/Risks:

- Our DCS contact indicated that settlement conferences are scheduled to minimize the impact on clients/appellants. DCS should be involved in this decision.

## ***Supporting Findings:***

*II.B.6, III.C.5, III.D.1*

## ***Project Scoping***

### Priority:

Medium

### Estimated Difficulty:

Medium

### Implementation Timeframe:

Short-term – could be implemented within 1 year

### Actions Required to Implement:

- Meet with DCS representatives to propose change to settlement conference.



***Recommendation W2 – Maximize efficiency of dockets/calendars.***

- Meet with DSHS representatives in regional offices to confirm changes in scheduling.
- Collect data to understand differences between hearing time allotments in each office and set standards.
- Convene a work group to consider “best practices” in docket management.

Estimated Costs:

- Employee time

Potential Barriers to Implementation:

- Some OAH employees may resist changes to current scheduling.

### ***Recommendation W3 – Develop a simple weighted caseload model.***

#### Description:

- Use available historical data to develop a standard time (in hours) that was expended per appeal or per appeal closure/decision for each customer, program or group of programs.
  - Use standards to project FTE staffing needs based on caseload forecasts (longer term) or actual caseloads (daily or weekly needs).
  - Establish baseline standards using existing data, and update standards as changes to OAH's process and technologies occur.
  - Make modest refinements to the model over time.
- (See Appendix A for a detailed description of the simple model.)

#### Potential Benefits:

- Improves accuracy of staffing projections, by differentiating between the level of effort required to work on appeals for various customers and programs.
- Begins to confirm actual staffing resources and requirements at OAH.
- Analysis and modeling is not difficult and can be done using an Excel spreadsheet.
- Staffing needs can be projected for each office, based on workload.
- Helps OAH to begin to conform to “good practices” for weighting caseloads.
- Should be compatible with Resource Justification Modeling (RJM) required for ESD Unemployment Insurance appeals.
- Makes strategies such as “single queue multi-server” possible. (See recommendation P1.)

#### Limitations/Risks:

- Is a “blunt instrument.” The model does not take into consideration all factors that impact work complexity or the level of effort required to complete work.
- Uses historical information to develop standards. Assumes that historical performance is acceptable performance.
- Uses average performance, not excellent performance as a standard.
- Standard hours may be understated, since not all hours worked are reported in the Time Management System (TMS). (This risk can be mitigated by using historical data from time periods known to have lower levels of unreported overtime.)
- Standards must be updated to reflect significant process or technology improvements.

<b>Recommendation W3 – Develop a simple weighted caseload model.</b>	
<b>Supporting Findings:</b>	
<i>III.B.1, III.B.2, III.B.3, III.B.4, III.B.5, III.B.6, III.B.9, III.C.1-4</i>	
<b>Project Scoping</b>	
<u>Priority:</u> High	<u>Estimated Difficulty:</u> Medium
<u>Implementation Timeframe:</u> Short-term – could be implemented within 1 year	
<u>Actions Required to Implement:</u> See detail in Appendix B.	
<u>Estimated Costs:</u> ➤ Employee time to extract, summarize historical data, prepare model, and maintain model.	
<u>Potential Barriers to Implementation:</u> ➤ Availability of accurate, timely data from primary systems. ➤ Availability of employee resource to load and maintain model.	

#### ***Recommendation W4 – Improve the weighted caseload model over time.***

##### Description:

- Make refinements to the simple weighted caseload model, including:
    - Develop and use standard allowances for leave time, administrative and training time, and non-productive time instead of actual reported hours for these categories.
    - Develop and use ratios of support staff to ALJs (rather than hours billed) to support evaluation of appropriate support staff levels.
    - Update baseline standards as work processes improve and as new technologies are implemented.
    - Begin to differentiate appeals with that have characteristics known to increase work time, including:
      - pre-hearing conferences
      - multi-day hearings
      - continuances (one or more)
      - Interpretation required
      - reconsiderations
      - multiple parties (including attorneys)
    - Begin to identify “excellent” performance and adjust standards to reflect excellence.
    - Use employee logs, Delphi estimates and professional judgment collect information about appeal characteristics that is not readily-available from primary information sources and to refine standards and assumptions.
- (See Appendix A for additional information.)

##### Potential Benefits:

- Improved staffing accuracy.
- Standards reflect excellent performance, not average performance.

##### Limitations/Risks:

- Must choose the right level of caseload differentiation or risk unnecessary complexity and maintenance.
- Must have the ability to collect supporting data on a routine basis.

#### ***Supporting Findings:***

*III.B.1, III.B.2, III.B.3, III.B.4, III.B.5, III.B.6, III.B.9, III.C.1-4*

***Recommendation W4 – Improve the weighted caseload model over time.***

***Project Scoping***

Priority:

Low to Medium

Estimated Difficulty:

Medium to High

Implementation Timeframe:

Long-term

Actions Required to Implement:

- Develop tools and studies to collect data.
  - Collect and analyze data.
- (See also Appendix A.)

Estimated Costs:

- Employee analysis time.
- Staffing model maintenance time.

Potential Barriers to Implementation:

- Lack of data to support differentiation.
- This level of modeling is more complex, and might require additional consulting assistance.

***Recommendation W5 – Confirm OAH’s available employee resource.*****Description:**

- Establish a Full Time Equivalent (FTE) for each permanent full and part-time OAH position.
- If possible, establish a maximum Full Time Equivalent (FTE) for each pro tem ALJ and non-permanent position.
- Make information about FTE positions, by office, available to offices.

**Potential Benefits:**

- Improves agency-wide staff planning and decision-making.

**Risks of Inaction:**

- Continued agency confusion about true level of resource in each office.
- Inability to use simple staffing model for planning.

***Supporting Findings:****III.B.10, III.C.2****Project Scoping*****Priority:**

High

**Estimated Difficulty:**

Low to Medium

**Implementation Timeframe:**

Short-term

**Actions Required to Implement:**

- Review each current position to establish FTE.
- Negotiate maximum FTE with pro tems, non-permanent employees if necessary.
- Document results, by office.
- Maintain FTE over time.

**Estimated Costs:**

- Fiscal Office and/or Human Resources time to establish FTE positions

**Potential Barriers to Implementation:**

- Pro tem ALJs may be unwilling or unable adhere to maximum availability.

***Recommendation W6 – Use the Time Management System (TMS) to track actual hours worked instead of standard hours worked.***

Description:

- Use OAH's Time Management System (TMS) to track actual hours worked for all customers and programs.
- Add new codes as needed to report administrative, management, and training activities in ways that would support Resource Justification Modeling (RJM) and still provide agency insight into these activities.
- Develop a method for converting actual hours reported to RJM standard minutes.

Potential Benefits:

- Improves OAH's visibility to actual work performed for on all caseloads and by all employees.
- Reduces time reporting confusion. Eliminates the need for employees working on different programs to report time differently.
- Allows for better monitoring of employee utilization.

Limitations/Risks:

- Would require OAH to convert actual hours worked for ESD Unemployment Insurance appeals to standard hours as required for RJM reporting and budget reconciliation.
- Would make historical comparisons of time data pre-and post change more difficult in the short term.

***Supporting Findings:***

***III.C.3***

***Project Scoping***

Priority:

Low

Estimated Difficulty:

Medium

Implementation Timeframe:

Medium-term

Actions Required to Implement:

- Review TMS functionality to confirm that reporting changes can be made.
- Evaluate reporting codes, develop requirements for changes.

***Recommendation W6 – Use the Time Management System (TMS) to track actual hours worked instead of standard hours worked.***

- Develop a method for converting actual data to standard RJM data that can repeated on a monthly basis.
- Code and test any changes to TMS.
- Train employees in new reporting protocols.

**Estimated Costs:**

- Employee training time.
- IT business analyst time to investigate reporting codes and to work with employees to develop requirements.
- Fiscal analyst time to develop a method for converting actual data to standard data.

**Potential Barriers to Implementation:**

- Lack of analyst resources to complete work.
- Fiscal office resistance to changing reporting or methodologies.
- Limited Fiscal Office resources to convert data for RJM.



***Recommendation W7 – Explore options for making pro tem ALJs a more predictable, cost-effective staffing resource:***

Description:

- Explore options to improve the predictability and cost-effectiveness of pro tem ALJs. These might include, for example:
  - Negotiate minimum and maximum hours of availability.
  - Offer pro tem ALJs a retainer to be available for a certain number of days and/or hours per week.
  - Pay pro tem ALJs based on performance (appeals completed, decisions written) rather than for hours worked.
- Where possible, convert pro tem ALJs to part time non-permanent positions.

Potential Benefits:

- Reduces personnel costs. As hourly contractors, pro tem ALJs are relatively expensive to use.
- Increases predictability of staffing resources.

Limitations/Risks:

- May lose certain pro tem ALJs who are unwilling to commit to schedule and/or compensation changes.
- Pro tem ALJ hours are limited, by law.

***Supporting Findings:***

*III.B.11*

***Project Scoping***

Priority:

Low to Medium

Estimated Difficulty:

Medium

Implementation Timeframe:

Medium-Term

Actions Required to Implement:

- Evaluate pro tem workforce. Identify candidates for non-permanent positions.
- Develop possible compensation solutions.
- Re-negotiate contracts, as necessary.

Estimated Costs:

- Human Resources time

Potential Barriers to Implementation:

- Pro tem ALJ resistance to change.

***Recommendation W8 – Audit and correct key management reports used to support performance reporting, workload and staffing analysis.***

Description:

- Review “Tracker” report templates to remove any errors that may persist from quarter to quarter.
  - Review and correct problems with internal formulas.
  - Ensure that detail presented in spreadsheets totals to summaries.
  - Correct erroneous headings.
- Audit each quarterly “Tracker” reports prior to release. Verify that data were entered correctly, and that internal formulas have not been corrupted.
- Clearly identify or publish any changes that are made to historical data (prior fiscal years) in the “Tracker” reports. Note the reasons for these changes.
- Audit extracts from key data sources (CATS, HATSS, and ACTS) to make sure source data are reliable and verifiable. If necessary, develop reports that can be used to cross-check source data.
- Identify the information most frequently used by OAH for management of performance, workload and staffing. Confine “Tracker” reporting to key views of this information. These should include basic data relating to appeal intake, appeal disposition, timeliness of order, pending appeals (including aging), and reconsiderations, and orders by outcome (affirm, set-aside, modify).
- Design supplemental reports or special analyses to provide data to create and refine staffing standards. These might include, for example:
  - Hearings held by type (in person, telephone) and location.
  - Continuances granted by appeal type.

Potential Benefits:

- Better reliability of management information. Less “egg on face”.
- More complete information to support workload analysis and staffing planning.

Limitations/Risks:

- Risk of inaction is high.

***Supporting Findings:***

*III.C.3*

***Project Scoping***

Priority:

High

Estimated Difficulty:

Low to Medium

***Recommendation W8 – Audit and correct key management reports used to support performance reporting, workload and staffing analysis.***

Implementation Timeframe:

Now

Actions Required to Implement:

- Evaluate “Tracker” content and change as needed to meet business needs.
- Review and correct “Tracker” templates.
- Audit “Tracker” reports prior to release.
- Validate source data (HATSS, CATS, and ACTS).

Estimated Costs:

- Additional employee time to load and audit spreadsheets.
- Management time to re-evaluate use of “Tracker”.
- Information Technology staff time to validate source data, design “Tracker” and create supplemental reports.

Potential Barriers to Implementation:

- Inability of HATSS, CATS, and ACTS to provide certain data.

***Recommendation W9 – Work with ESD to forecast Unemployment Insurance appeals workload.***

Description:

- Work with Doug Gough, Budget Director for UI at ESD and his team to develop strategies for forecasting or predicting UI appeals workload. These may include:
  - Compare Unemployment Insurance claims denials data (from ESD) with appeals received by OAH, by issue code, to identify trends.
  - Attempt to model the percent of denials, by issue code, that are likely to result in appeals. OAH will need to make assumptions about the time that it takes for a denied claim to result in a request for hearing at OAH.

Potential Benefits:

- Uses the considerable forecasting resources of ESD to help OAH plan workload.
- Uses data that are already available to OAH.
- Builds upon the improving relationship between OAH and ESD.

Limitations/Risks:

- None identified.

***Supporting Findings:***

*III.C.4*

***Project Scoping***

Priority:

High

Estimated Difficulty:

Low to Medium

Implementation Timeframe:

Short-Term

Actions Required to Implement:

- Contact Doug Gough to establish a process.
- Review existing UI appeals, by appeal code.

Estimated Costs:

- IT and administrative time to prepare forecasts.

Potential Barriers to Implementation:

- None identified.

***Recommendation W10 – Hire additional ALJs to support the ESD Unemployment Insurance caseload.***

Description:

- Hire and train additional ALJs to handle UI appeals:
  - Establish a base level of ALJ FTE positions based on average annual projections of UI claims and resulting appeals, and the “Earned-Used” report. Hire and train permanent, full-time ALJs to fill this base level of positions.
  - Create a seasonal or temporary workforce to respond to the basic seasonality patterns of UI claims and appeals. This could be pro tem ALJs or could be temporary workers similar to Adjudicator positions at ESD.
- Consider hiring a professional recruiter to find quality ALJs.

Potential Benefits:

- Makes use of available (earned) ESD resources to increase OAH staffing levels.

Limitations/Risks:

- If base staffing level is too high, OAH runs the risk of layoffs.
- New hires will need to be trained before they can be effective.

***Supporting Findings:***

*III.B.5, III.B.6, III.B.7, III.B.9*

***Project Scoping***

Priority:

High

Estimated Difficulty:

Medium

Implementation Timeframe:

Short-Term

Actions Required to Implement:

- Confirm base staffing level, using the “Earned/Used report and available caseload data.
- Hire a professional recruiter (if desired).
- Recruit and train ALJs.

Estimated Costs:

- IT and administrative time to prepare forecasts.

Potential Barriers to Implementation:

- None identified.

***Recommendation W11 – Negotiate staffing reconciliation timeframes with ESD.***

Description:

- Negotiate with Employment Security to allow OAH to reconcile “earned” staffing levels with “used” staffing levels on a semi-annual or annual basis, rather than a quarterly basis. (Quarterly reconciliation for payment could continue as scheduled.)

Potential Benefits:

- Would allow OAH “breathing room” to plan staffing levels and to hire over a longer business cycle.

Limitations/Risks:

- Will require OAH to become more sophisticated in its use of workload forecasting and staffing projections.

***Supporting Findings:***

*III.C.6*

***Project Scoping***

Priority:

High

Estimated Difficulty:

Low to Medium

Implementation Timeframe:

Short-Term

Actions Required to Implement:

- Contact Employment Security to explore options.

Estimated Costs:

- Administrative time.

Potential Barriers to Implementation:

- DOL may not allow ESD to make this change.

## **Leased Facility Recommendation**

### ***Recommendation L1 – Complete further analysis to support decisions about leased facilities.***

#### **Description:**

- Collect additional information to support leased facility analysis, including:
  - Number of in-person hearings conducted in each office, by customer/program
  - Number of hearings requiring ALJs to travel, by office and customer/program
  - Headcount of employees at each office, adjusted for any projected employee reductions resulting from changes to budget.
  - Residential location of ALJs, pro tem ALJs, and support staff.
- Confirm space requirements for OAH. Identify the appropriate mix of private office, conference or hearing, and shared space to meet business needs and to maintain or improve employee satisfaction.
- Explore ways to maximize use of limited space, including:
  - Electronic records management (reduce on-site document storage)
  - Use modern and efficient shelving and filing furniture to maximize the efficiency of files and storing work in progress.
  - Maximizing headcount (reducing the use of part-time employees).
  - Coordinate part-time employees to efficiently utilize office space (For example, assign one office to two ALJs – one works Monday through Wednesday the other works Thursday and Friday.)
  - Coordinate on-site time of teleworking ALJs so that they can efficiently share office space.
  - If ALJs are sharing offices (“hotelling” concept) provide each ALJ with rolling file cabinets to facilitate movement of supplies and files.
- Establish criteria for determining office location, including but not limited to:
  - Location of primary workforce (ALJs and pro tem ALJs)
  - Number and location of in-person hearings
  - Parking and transit availability
  - Lease rates per headcount and per square foot
- Present the business case for consolidating, moving or closing office locations to the employees and stakeholders that will be affected. Employee and stakeholder input should be considered to ensure that the business case is accurate and to confirm that the intended benefits of the proposed move are realistic.
- Work with primary customers to discuss impacts of office siting decisions on customer service and appellant access to justice.

***Recommendation L1 – Complete further analysis to support decisions about leased facilities.***

- Consider the impact of possible changes to workload assignment (central distribution of appeals based on capacity, not location) on office location.

***Supporting Findings:***

*IV.A.1, IV.A.2, IV.A.3, IV.A.4*

***Project Scoping***

*Priority:*

*High*

*Estimated Difficulty:*

*Medium*

*Implementation Timeframe:*

Short to Medium-term – could be implemented within 1 year

*Actions Required to Implement:*

- Gather data to support siting decisions.
- Establish a business case for change.
- Discuss the business case with affected employees and stakeholders to assess feasibility.
- Implementation for moves that are warranted.

*Estimated Costs:*

- Employee time for analysis.

*Potential Barriers to Implementation:*

- Employee resistance to changing office locations.



## **Technology Assessment Recommendations**

### ***Recommendation T1 – Implement a single, organization-wide case tracking system.***

#### **Description:**

While a COTS solution is the preferred longer-term solution, this option is not financially possible in the foreseeable future. Instead an interim (3 – 5 years) basic case tracking application should be developed. This entails the following:

- Replace the three existing case tracking applications with a single, basic replacement system using industry standard technology products.
- The scope of the replacement application should be limited to replicating the best features of the current applications to control development costs. Limited new functionality for end users should be expected.
- Use industry standard products including Outlook (scheduling), Word (document creation) and SharePoint (document management) as part of the replacement application.
- The replacement application should capture key performance measurement data.
- Review security requirements and implement appropriate controls as part of implementation.

#### **Potential Benefits:**

- Reduce the major risks associated with reliance on obsolete technologies and products.
- Support standardized business processes across the organizations.
- Extend best features of current case tracking applications to other case types.
- Improve reliability of data for operations and management.
- Improve ability to manage caseloads state-wide.
- Reduce security- and privacy-related risks.

#### **Risks of Inaction:**

- Failure of a case tracking application could materially impair the ability of OAH to effectively manage its caseload. In a worst case scenario, OAH would be reduced to manually managing appeals. This would significantly reduce the volume of cases that could be heard in a timely manner.
- Responding to a major failure of a case tracking application would be very expensive and difficult.
- The legal interests of parties to appeals could be impaired due to reduced ability of OAH to render decisions in a timely manner.

***Recommendation T1 – Implement a single, organization-wide case tracking system.***

***Supporting Findings:***

*V.A.1, V.A.2, V.A.3, V.A.4, V.A.5, V.B, V.C.5, V.D.4, V.D.5*

***Project Scoping***

Priority:

High

Estimated Difficulty:

Medium

Implementation Timeframe:

Short- to medium-term. Approximately, 18 to 24 months will be required to plan the project, acquire the necessary resources and develop and implement a replacement case tracking applications.

Actions Required to Implement:

- Obtain the necessary capital funding for the project.
- Ensure design of replacement case tracking application is consistent with the new process design.
- Define keep performance metrics required to improve management of OAH operations.

Estimated Costs:

With strict control of the scope, a basic interim case tracking application could be delivered for ~\$300K. If additional funds were available, additional functionality could be delivered.

Potential Barriers to Implementation:

- Lack of funding.
- Scope creep, i.e., unplanned additions of new functions and features.
- Employee time and effort required for design, data clean up, training and implementation.

## ***Recommendation T2 – Migrate to electronic document management.***

### Description:

- Take advantage of the availability of SharePoint to expand the use of electronic document management at OAH.
- Use SharePoint to electronically transfer documents and files between offices.
- Minimize the physical movement of files and documents between offices.
- Use SharePoint features to manage the approval and publication of decisions and other documents.
- There are various options for managing paper documents. All documents may be scanned at the point of intake. This would be consistent with a strategy of minimizing reliance on paper documents. Documents/files can be scanned when a file is transferred between other offices or “on demand”. Documents can be scanned when cases are finalized as part of a document retention/archival strategy. OAH needs to determine how it intends to employ electronic document manage and then define the administrative processes to support that strategy.
- OAH needs to define its priorities for utilizing electronic document management and devise an appropriate strategy for expanding its use. This plan must be consistent with a realistic assessment of resource availability.

### Potential Benefits:

- Supports long term trends toward a paperless (or, at least, “less paper”) environment.
- Improved ability to move cases (and files) between offices to balance workload.
- Improve the security of case files by limiting physical transfers of files.
- Reduce delays by minimizing the need to obtain hardcopy files.
- Improved ability to share precedents and decisions across the agency.
- Improved ability to publish public documents efficiently.
- Improved control over the process of authoring, approving, and releasing documents to both internal and external audiences.

### Risks of Inaction:

- Ability to effectively implement single queue, multiple server strategies / balance workloads across offices would be compromised.
- Encourages continued “silo” behavior / limits the ability to propagate best practices across the agency.

## ***Supporting Findings:***

V.A.2, V.D.3, V.D.4

***Recommendation T2 – Migrate to electronic document management.***

***Project Scoping***

Priority:

Medium

Estimated Difficulty:

Medium

Implementation Timeframe:

- Develop plans during next 12 months.
- Implementation ongoing thereafter.

Actions Required to Implement:

- Implementation of electronic document management must be coordinated with the replacement case tracking application project.
- Determining how document management will be used (i.e., at intake, on demand, or at finalization) and relative priorities for broader roll out.
- Acquiring / developing SharePoint expertise needed to effectively implement document management.

Estimated Costs:

- Minimal costs if implementation makes use of existing resources.
- A budget of \$25K-\$50K could allow implementation to be fast-tracked.

Potential Barriers to Implementation:

- Resource limitations.
- Complexity of SharePoint product / need for expertise to effectively utilize.

### ***Recommendation T3 – Continue migration to industry standard technologies.***

#### Description:

- In addition to replacing the existing case tracking applications and expanding its use of SharePoint, OAH should systematically eliminate the use obsolete technologies and products in favor of industry standard ones.
- OAH should adopt productivity software standards current within the State of Washington. This will minimize acquisition costs and help to ensure the availability of support.
- Employees will require training to become proficient with current products (e.g., Word 2007).
- Timing of this migration should be linked to the availability of budgets.
- Consideration should be given to the need to older documents (e.g., WordPerfect files) to a format more suitable for longer term retention (e.g., PDF). If migration of the “backfile” (i.e., historical files) is required, a detailed plan should be developed for this purpose.

#### Potential Benefits:

- Reduces risks associated with reliance on obsolete technologies and products. In particular, the risk that older documents in obsolete formats will become inaccessible will be reduced.
- In the longer term, reduces the training required by personnel (because familiarity with, say, Word, is common).
- Simplifies the ability to find contractors familiar with the technical environment.
- Makes enhanced functionality of newer products available to OAH personnel.
- Simplifies ongoing updating technology infrastructure (Microsoft and other major vendors are motivated to simplify the process of migrating to newer versions of their products).

#### Risks of Inaction:

- Replacement of the existing case tracking applications is closely linked to the more general migration away from obsolete technologies. Hence, retention of the obsolete technologies would be associated with an unacceptable level of risk to OAH operations.
- Personal productivity of OAH employees would continue to be limited by obsolete tools.

### ***Supporting Findings:***

V.A.2, V.D.2, V.D.3, V.D.4

### ***Project Scoping***

#### Priority:

Medium

#### Estimated Difficulty:

Low

***Recommendation T3 – Continue migration to industry standard technologies.***

Implementation Timeframe:

- Dependent on plan for implementation of replacement case tracking application.

Actions Required to Implement:

- Decision to replace existing case tracking applications.
- Finalization of design of replacement case tracking application.

Estimated Costs:

- Uses existing resources and resources used in case tracking replacement project.

Potential Barriers to Implementation:

- Delays in case tracking application replacement project.
- Resistance to giving up traditional tools (e.g., WordPerfect) and ways of doing business.

## VII. Implementation Plan

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The Efficiency Review yielded recommendations for how OAH could improve processes, systems and management tools, enabling it to operate more efficiently at lower risk. Recommendations are categorized into four major areas:

- Process and policy improvement and standardization
- Performance management
- Workload analysis, staffing resource management, and space planning/leasing
- Migration away from antiquated technology

A suggested timeline for implementing the Efficiency Review recommendations appears on the following page. Some general comments about the implementation of these areas:

The process improvement effort will require the largest investment of management, ALJ and support staff time. It is essential that process improvements be employee-driven and standardized statewide. OAH will need to develop a systematic approach for proposing and approving process improvements statewide. Initially, major processes should be standardized in all offices. Subsequent process improvements should be evaluated using the same vetting process, to encourage continuous improvement without losing standardization.

To support process improvement, OAH must improve performance management. OAH should confirm responsibility and accountability for appeals and cases as part of process standardization. OAH should also begin to work with customers and stakeholders to set expectations for services levels and performance, so that desired performance can be factored in to workload and staffing planning.

Workload analysis is essential to gaining visibility and control of OAH's most significant resource and largest single expense: its employees. It is also critical to effectively managing and distributing workload and to support space planning. OAH should confirm (clean up) basic resource and caseload data and create a simple staffing model as soon as possible. Over time, improvements can be made to the model and to caseload forecasting and staff planning.

OAH's technology issues present the greatest business risk. The current antiquated and unsupported technology could easily fail and leave OAH with a strictly manual hearing and case management process. Even without a major investment in a new case management system, OAH can take steps to mitigate business risk and begin to benefit from the use of more modern technology.

**Office of Administrative Hearings**  
**Efficiency Review**  
Tentative Implementation Plan & Timeline

Task Descriptions	Year 1				Year 2				Year 3				Year 4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1 Organize the business process improvement effort.</b> 1.1 Define the process for proposing, approving, communicating and implementing changes to statewide business processes. 1.2 Develop a repository for process, procedure and policy documentation that is accessible to all staff statewide. 1.3 Develop a charter for a statewide process improvement team. 1.4 Convene statewide process improvement team.																
<b>2 Implement process improvements.</b> 2.1 Streamline, standardize and document processes and policies statewide (P1). 2.2 Manage files and case-related information (P2). 2.3 Consider new models for staff assignments (P3). 2.4 Take actions to ensure access to justice for Limited English Proficiency appellants (P5). 2.5 Continue to improve training and support to staff and ALJs (P6). 2.6 Fully leverage existing technology to support case management, electronic document management, communication and reporting (P9).																
<b>3 Address performance management issues.</b> 3.1 Clearly identify responsibility for each appeal and accountability for overall case flow (P4). 3.2 Work with stakeholders to set service level expectations (P8). 3.3 Balance performance expectations (P7).																
<b>4 Address workload management issues.</b> 4.1 Audit and correct key management reports used to support performance reporting, workload and staffing analysis (W8). 4.2 Confirm OAH's available staffing resources (W5). 4.3 Work with ESD to forecast UI appeals workload (W9). 4.4 Develop a simple weighted caseload model (W3). 4.5 Hire additional ALJs for the UI caseload (W10). 4.6 Negotiate staffing reconciliation timeframe with ESD (W11). 4.7 Explore strategies to balance workload between offices (W1). 4.8 Maximize efficiency of dockets/calendars (W2). 4.9 Improve weighted caseload model over time (W4). 4.10 Use the Time Management System (TMS) to track actual hours worked instead of standard hours worked (W6). 4.11 Explore options for making pro tem judges a more predictable, cost-effective resource (W7).																
<b>5 Address space leasing issues.</b> 5.1 Complete further analysis to support decisions about leased facilities (L1).																
<b>6 Address technology issues.</b> 6.1 Continue migration to industry standard technology (T3). 6.2 Migrate to electronic document management (T2). 6.3 Implement a single, organization-wide case tracking system (T1).																